

Small Houses, Big Dreams





As a part of one of India's leading financial services player IIFL group, the Company is well-positioned to make the most of unfolding opportunities. To serve the underserved and growing market of home loans in India. IIFL Housing Finance's focus is on the growing opportunity in the affordable housing segment. Our continued thrust on technology, efficiency and customer service provide an exceptional customer experience.

On the cover, graphical shapes are arranged to resemble a house among the clouds which represent a person's inherent dream of owning a house.

CONTENTS

01 Corporate Overview 1-27

| | |
|----------------------------------|----|
| IIFL at a Glance | 3 |
| IIFL Housing Finance at a Glance | 6 |
| Financial Highlights | 10 |
| Chairman's Message | 12 |
| CEO's Message | 14 |
| Broadening Offerings | 16 |
| Collaboration with Government | 18 |
| Transforming with Technology | 20 |
| Corporate Social Responsibility | 22 |
| Advisory Board | 24 |
| Board of Directors | 26 |

02 Statutory Reports 28-61

| | |
|-------------------|----|
| Directors' Report | 28 |
| Annexures | 35 |

03 Financial Statements 62-101

| | |
|---------------------|----|
| Standalone Accounts | 62 |
|---------------------|----|

Assets under Management

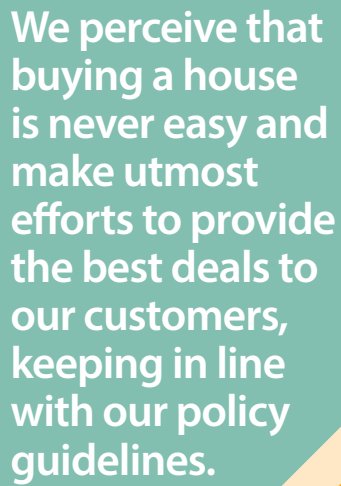
₹ 97,693 million
76% y-o-y growth

PAT

₹ 836 million
16% y-o-y growth


Revenue

₹ 9,050 million
64% y-o-y growth



We perceive that buying a house is never easy and make utmost efforts to provide the best deals to our customers, keeping in line with our policy guidelines.

At IIFL Housing Finance, our stated purpose since inception is to help fulfill the aspiration of owning a home. Millions of Indians foster this dream, and we exist to help them realize it. Coherent with the persistently changing digital landscape, we are augmenting our robust technology platform to ensure customer satisfaction; and move in step with Digital India. We cover a variety of home loan requirements and offer new home loans, NRI home loans, and home extension loans. We also help unlock the value of owned properties at any time to fulfill the need of funds by offering loans against property.



We follow the philosophy of 'Ghar Aapka. Loan Hamaara', and help people in turning their dreams into reality. Purchasing a home is no longer a distant dream, which can only happen after saving up for a long time. We encourage people to dream about their home with us so that we can make them happen.

We have inclined our focus on providing affordable housing finance and our continued thrust on technology adoption; improved efficiency and customer service delivery enable us to achieve our goals. We believe in responsible lending. We perceive that buying a house is never easy and make utmost efforts to provide the best deals to our customers, keeping in line with our policy guidelines.

IIFL AT A GLANCE

IIFL is one of India's leading diversified financial services company providing a broad range of financial products and services to a substantial and diversified client base that includes small businesses, institutions and individuals.

IIFL's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Company and its subsidiaries are mainly engaged in loans and mortgages, wealth management and capital market businesses. The loans and mortgages business includes non-

banking finance, housing finance and microfinance. The wealth management business is engaged in wealth management and asset management. The capital market business includes financial advisory and broking, institutional research, investment banking and financial product distribution.



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.

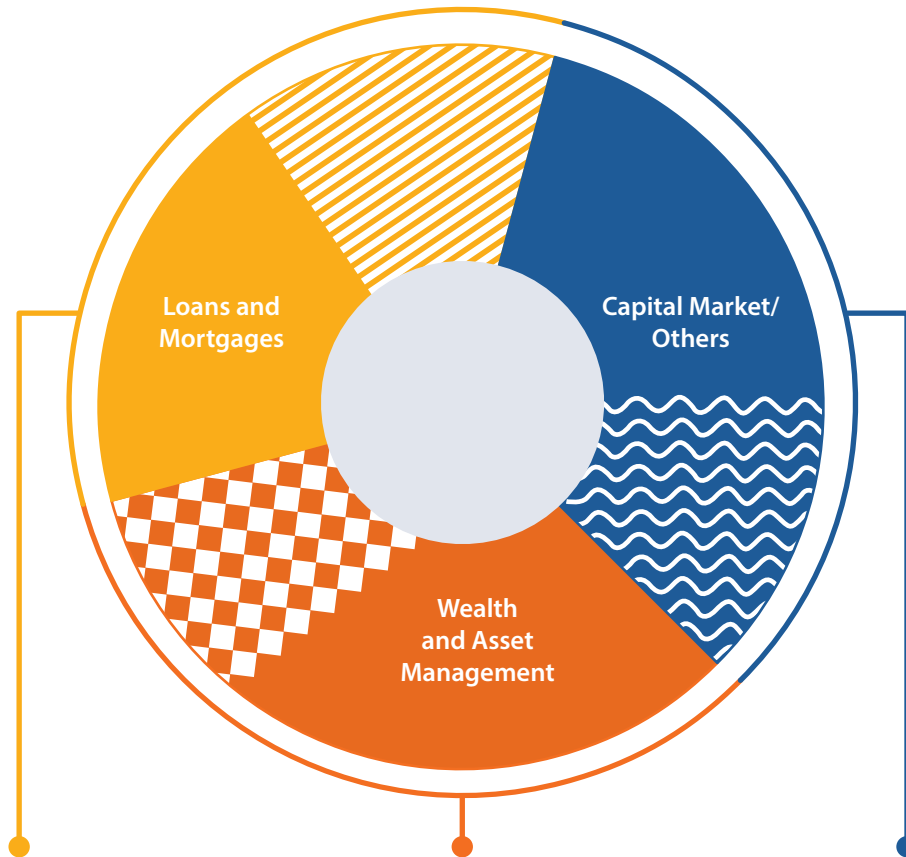
INTEGRITY

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.

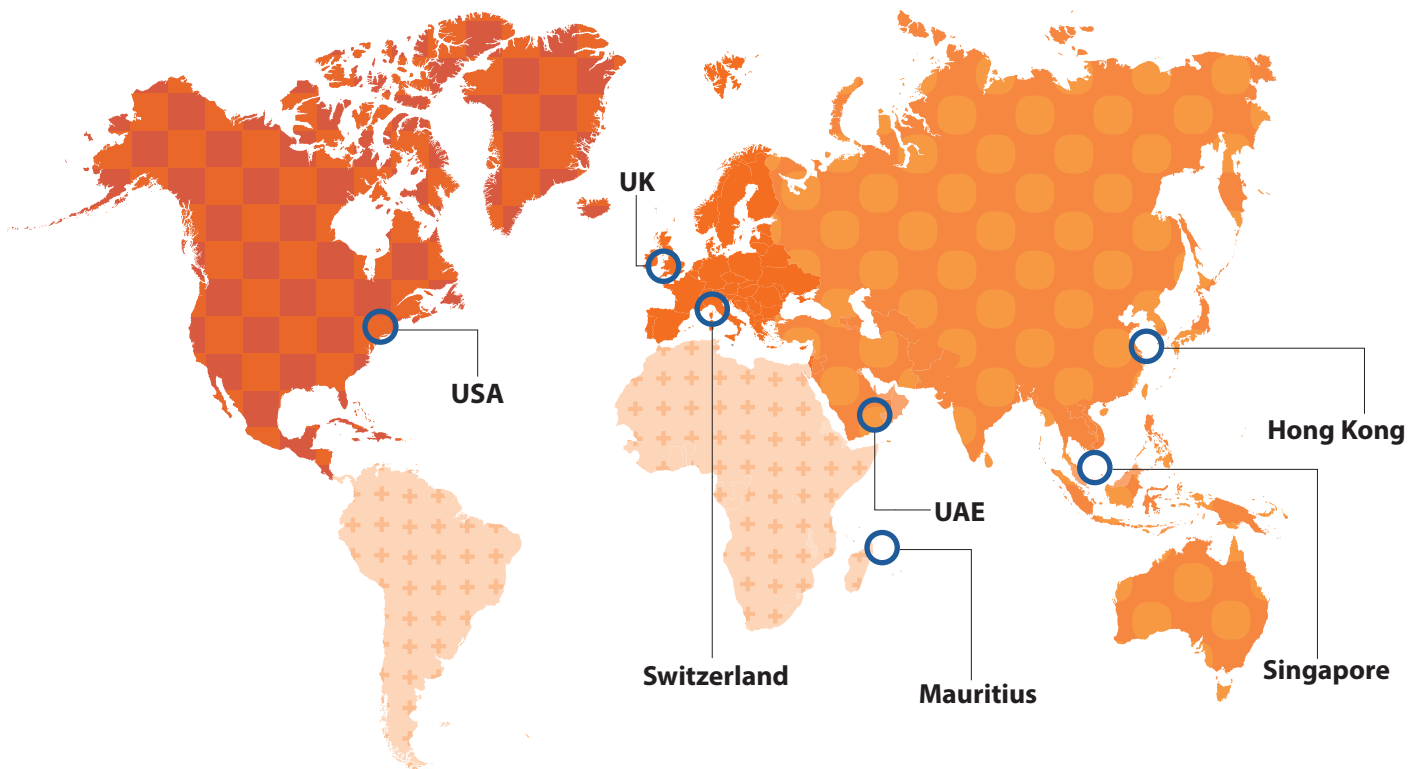
Business Segments



| | Loans and Mortgages | Wealth and Asset Management | Capital Market/Others |
|------------------------------|--|---|--|
| Business | Diversified non-banking finance company, offering loans secured against collaterals of home, property, gold, medical equipment, commercial vehicles, shares and other securities, and small business loans. Also added microfinance segment through the acquisition of Samasta Microfinance. | One of the largest and fastest growing Wealth Management companies in India with assets under advice, management and distribution of ₹ 1,201 billion. | One of the leading broking houses in India with extensive presence all over the country providing financial planning, investment banking and broking services in mutual funds, equity, commodities and currency trading. |
| Products | Home, Loan against Property, Gold, Construction & Real Estate, Commercial Vehicle, Capital Market, SME, online personal loans and Microfinance loans. | Family Office, Alternative Investment Funds, Advisory and Distribution service. | Retail and Institutional Broking, Investment Banking. |
| Distribution Channels | Agents, Banks, Brokers, Direct, other distribution agreements. | Agents, Banks, Brokers, Direct, other distribution agreements and independent financial advisors. | Agents, Banks, Brokers, Direct, other distributors and independent financial advisors. |
| Financials FY17 | Income* ₹ 13.77 billion Net Profit ₹ 4.23 billion | Income* ₹ 8.34 billion Net Profit ₹ 2.50 billion | Income* ₹ 6.22 billion Net Profit ₹ 1.48 billion |

* Income is net of interest expense.

International Subsidiaries' Locations



Our international subsidiaries are governed by the respective global regulators including Financial Services Authority, UK, Securities Exchange Commission, USA, Monetary Authority of Singapore, Dubai Financial Services Authority and Securities and Futures Commission, Hong Kong.

Key Facts

Asset Base

₹ 299 billion

PAT *

₹ 8.22 billion

Locations

2,250+

Team

~11,000

Clients

4 million +
300 global funds

* Pre-minority

Note: Map not to scale.

IIFL HOUSING FINANCE AT A GLANCE

IIFL Housing Finance Limited is one of the fastest growing housing finance company under the affordable housing segment, reporting a loan book of ₹ 81,924 million with 66% in housing loan category.

Product differentiation is the most competitive edge at IIFL Housing Finance. Through a diverse base of products and domain expertise, the Company understands the credit worthiness of its customers and offers customized products suiting their requirements. It constantly builds strategies to widen its portfolio and expand its customer base by leveraging its experience across a range of mortgage backed loans. With a slew of reforms and push from the government, affordable housing is emerging as the preferred segment. IIFL Housing Finance has aligned its efforts and deliverables in sync with the upcoming demand of affordable housing and Government's mission of 'Housing for All'.

The Company has maintained high quality loan and investment portfolios through watchful targeting of the customer base, a comprehensive risk assessment process and thorough risk remediation procedure. It aims to maintain its focus on steady earnings growth through conservative risk management techniques and by accessing low-cost funds.



Product Offerings



Home Loans

Provides tailored home loan products for different class of customers namely salaried, self-employed, professionals and entrepreneurs. Besides giving loan for purchasing of home, the Company also offers home renovation, home construction and purchase of plot. Through Swaraj home loans, we cater to customers mainly focused on affordable housing schemes. We address 'first- home-buy' dream of the segment with informal income, broadening our capabilities as an affordable housing finance company.



Loan against Property

Offers range of loans backed by mortgage of residential or commercial properties to small and medium enterprises for working capital requirements, business use, purchase of commercial property and other similar purposes. The average LTV (Loan to Value) ratio at origination is 53%. The main emphasis is to on-board significant portion under Priority Sector Lending (PSL). More than 70% of our loans are under the PSL category. In an endeavor to cater to the entrepreneurial spirit of the Indian population, we have come out with a customized small ticket size LAP product-Sammaan.



Project Loans

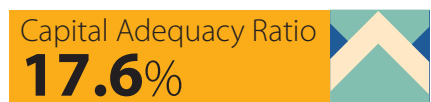
In line with the broader retail strategy, the Company also offers loans to developers for construction and development of residential and mixed-use projects. The Construction Finance vertical provides support to the growth of retail loans under the Approved Project route; wherein the Company has tie-ups with developers for additionally funding the property buyers under the retail home loan category. Construction Finance is about 14% of our loan book and remains a promising segment for the future.

Customer Count

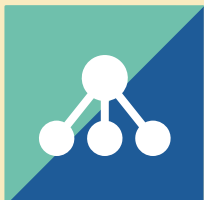


Operational Highlights

- Swaraj product launch at pan-India level
- Received first time refinance from NHB of ₹ 160 crore
- Received rating upgrade by CRISIL to 'CRISIL AA/Stable' from 'CRISIL AA- /Stable'
- Launched Jhatpat tablets
- One of the top PLI in facilitating subsidy to beneficiaries under CLSS - PMAY (Urban)



Key Strengths



Strong Corporate Governance and Management

We have an excellent track record of creating value for shareholders over time with strong ethical standards and corporate governance. Since inception, our focus has been on retaining transparency in our business, performing ethical practices in all operations, having no hidden cost in operations and placing our friendly relations with our customers at the highest priority.



Strong Risk Management Framework

At IIFL Housing Finance, risk management is an integral part of business and the Company has put in place an effective risk management policy and framework to identify, assess and monitor various risks. It helps in detecting problematic loans at an early stage, and analyze defaults, product and processes. The Company has centralized processing centers for greater efficiency and risk management and the in-house IT team acts as the backbone and helps in blending years of housing finance business experience with latest IT knowledge to create in-house software that has made the organization tech-savvy and enhanced customer experience.



High Asset Quality

We have consistently maintained a very cautious approach in financing policies giving out loans to mostly self-constructed homes that are automatically backed by land which reduces the risks of default.



Leveraging Technology

At IIFL Housing Finance, we are mindful of the fact that technology is a strategic enabler and are thus significantly leveraging it to cut down on cost, enhance efficiency and reduce turnaround time (TAT). Launched Jhatpat tablet in various locations reducing the time for a soft sanction from days to just an hour.



Differentiated Business Model

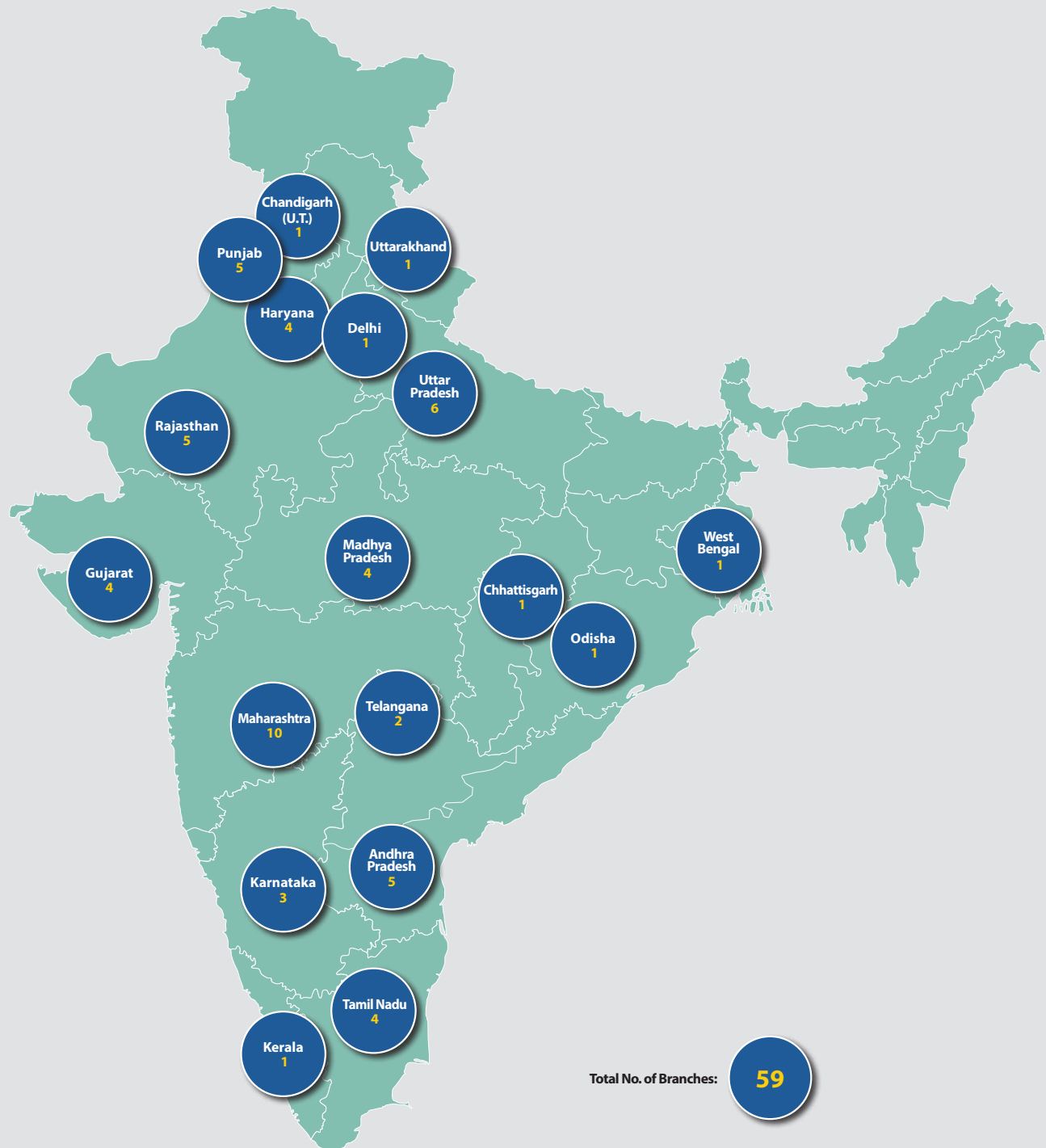
IIFL Housing Finance has a dual channel distribution strategy which involves sales through its own network of branches as well as through direct selling agents. The Company targets customers across various spectrums with a key focus on Tier-II and Tier-III cities. Our key focus remains on providing affordable housing finance.



Strong Distribution Presence

The distribution footprint is spread across 59 locations in India with main focus on making housing affordable for underprivileged sections of the society and targeting growth in Tier-II and Tier-III towns in India. IIFL Housing Finance has made considerable headway in operating the existing infrastructure to cross sell home loans. Branches are also being utilized to connect with affordable housing projects developed by local government bodies and private builders.

IIFL Home Loans Branches as on March 31, 2017

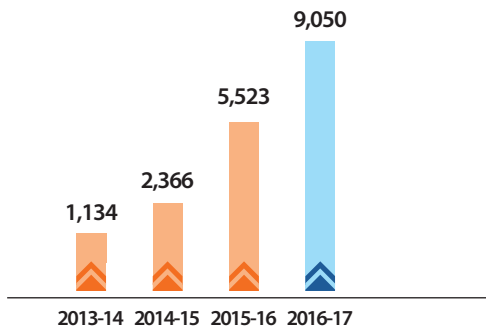


Note: Map not to scale.

FINANCIAL HIGHLIGHTS

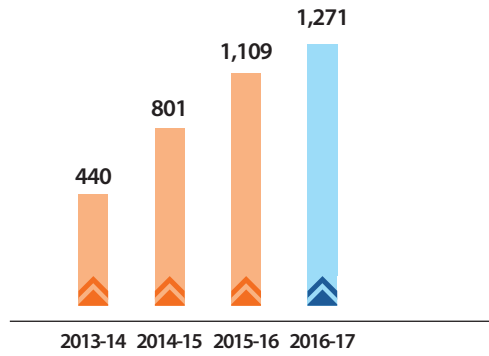
Revenue

(₹ in million)



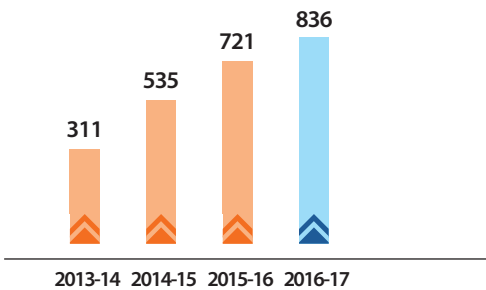
Profit Before Tax

(₹ in million)



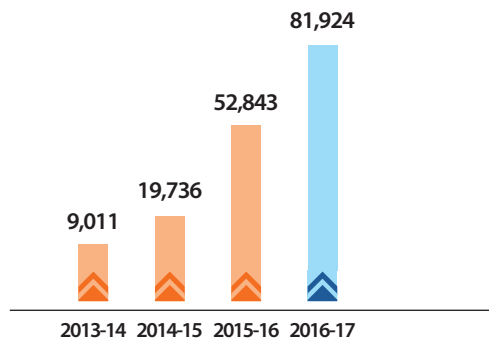
Profit After Tax

(₹ in million)



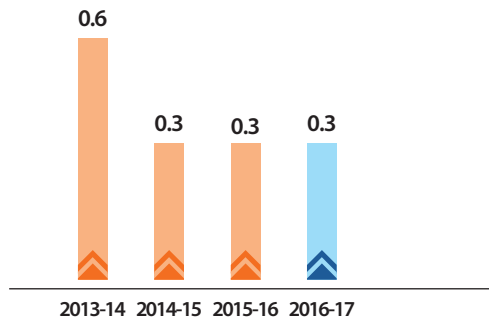
Loan Book

(₹ in million)

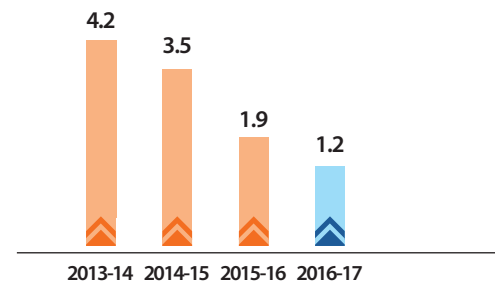


Net NPA

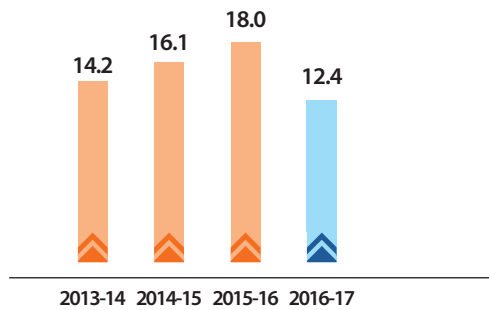
(%)

**Return on Average Assets**

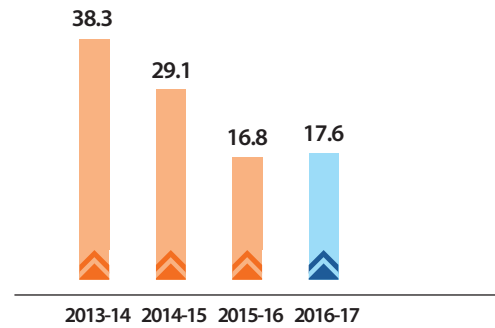
(%)

**Return on Equity**

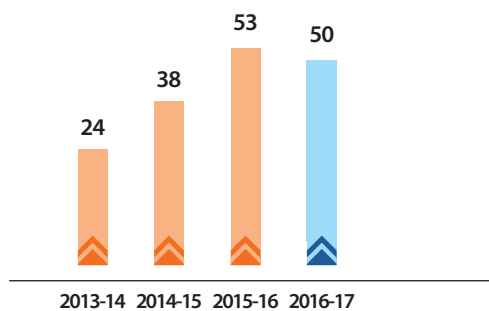
(%)

**CAR**

(%)

**EPS (Basic)**

(in ₹)



CHAIRMAN'S MESSAGE



IIFL Housing Finance believes in the government's 'Housing for All' mission and expects this initiative to be instrumental in reaching out to the masses. We give emphasis on affordable housing, offering loans under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (PMAY-CLSS) and have released ~11% of the government's subsidy scheme in the last year.

DEAR SHAREHOLDERS,

The Indian economy successfully channelled through extant global uncertainties and emerged as the preferred investment destination during 2016-17. Overall macroeconomic position has been bolstered with policy revisions over the last two years providing structural strength and imparting efficiency.

The Indian housing finance industry is seeing exciting times. The Government has been taking several important, growth-oriented steps to build wide reaching, impactful policy frameworks towards greater financial inclusion and in the process, paving the way forward for the housing finance industry. Housing for All 'Vision 2022' is a growth accelerator program announced by the government under the 'Pradhan Mantri Awas Yojana (PMAY)' wherein the main goal is to provide affordable housing to people living under low income group categories in urban establishments of the country.

Several key strategic initiatives, including the Real Estate Act, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Smart Cities Mission are other complementary objectives of the Housing For All vision. 'Make in India' and 'Skill India' initiatives are well timed and determined interventions to create an experienced workforce for strong, sustainable and balanced growth.

IIFL Housing Finance believes in the government's 'Housing for All' mission and expects this initiative to be instrumental in reaching out to the masses. We give emphasis on affordable housing, offering loans under the Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (PMAY-CLSS) and have released ~11% of the government's subsidy scheme in the last year. We are also looking forward to building associations with various State housing boards as a key loan partner for affordable housing projects.

The Company is well-poised to take advantage of the opportunity presented by the current economic environment. It will follow its corporate goals to endeavor that the growth path traversed thus far is sustained. Our systems, processes and functional capabilities are built on the principles of good corporate governance, and are implemented within the framework of proper checks and controls. The Company offers a wide range of home related loans to the customers depending on their needs and demands. The Company constantly keeps on building new strategies to broaden its portfolio with customized products to cater to the vast pool of potential customers.

Performance Overview

The Company performed encouragingly during 2016-17, reporting healthy growth on all key financial parameters. It reported a 64% increase in total revenue for the financial year ended March 31, 2017, with a 16% growth in profit after tax (PAT) for the same period. The solid performance during the year was a result of dedicated efforts of our people to address the needs of our customers. This helped us strengthen our business performance, creating value for all.

Power of Technology

IIFL Housing Finance believes in the power of digitization to achieve process excellence and simplify scalability of the business. We have pioneered digital initiatives across sourcing, processing, decision-making, operations, collections and customer service to provide a seamless customer experience. A one of its kind initiative,

Jhatpat Loans, was launched recently pan-India as an express customer on-boarding solution for home loans. The Company has also been able to achieve a disbursal turnaround time of 3 days in some cases. The Company has set-up captive teams for managing the entire life cycle for home loans. The Company plans to leverage technology as well as the group's distribution network to expand its reach and service customers in smaller cities and towns in India.

Future Ahead

IIFL Housing Finance is fully committed to working with the Government of India and contributing towards its aim of attaining 'Housing for All'. We will continue to drive innovation in India's housing space as we stand committed to building a sustainable business, deliver value to all stakeholders and serve India's vibrant economy.

I would hereby like to extend my respect and gratitude to our shareholders, our team, our customers and business partners who have always been on our side and have placed their trust in us.

Regards,

S. Sridhar
Chairman

CEO'S MESSAGE



IIFL Housing Finance recognizes the need to provide an integrated customer experience that cuts through various customer touch points, products and geographies. Speed to customer is increasingly the critical factor, while ensuring high asset quality and business continuity. Automation at every level is therefore the key to improved efficiency.

DEAR SHAREHOLDERS,

India's relatively stronger macroeconomic fundamentals in terms of growth, inflation, current account and fiscal deficit provided a realistic degree of resilience to the Indian financial system. The fiscal position has begun to improve, and a continuation of capital inflows allowed a significant build-up in foreign reserves. This confluence of achievements made India one of the bright spots in the global economy. IIFL Housing Finance is well-poised to make the most of this positivity.

Large number of government initiatives like smart cities, improvement in ease of doing business and improved focus on infrastructure development will create greater demand for credit. Also, Digital India and e-commerce growth will give a lift to SME sector and consequently, to the demand for credit. On the other hand, retail consumption is also going to see a rise. With growth in incomes, the market still remains under penetrated with significant upside potential opening up new opportunities for growth in financial services for potential customers with formal or informal income. IIFL Housing Finance is likely to benefit from the underlying trends and progress happening in the Indian economy. The Company is in a good position to contribute and cater to the rising affordable housing segment initiatives that are currently being adopted by the government and regulators.

Today, the Company has a bouquet of products providing a wide range of home related loans to the customers. With Swaraj Home Loans, we are catering to the need of section with informal income and help them in achieving their dream of owning their first home. Also, through project loans vertical, we provide support to the growth of retail loans under the approved project route; where in projects financed by the Company are tied up with the developers for funding the buyers under retail home loan. During the year, we grew consistently, witnessing a steady increase in revenue and profits every sequential quarter. The overall business growth was characterized by a high-quality loan portfolio and effective resource management. The Assets under Management (AUM) grew consistently.

IIFL Housing Finance recognizes the need to provide an integrated customer experience that cuts through various customer touchpoints, products and

geographies. Speed to customer is increasingly the critical factor, while ensuring high asset quality and business continuity. Automation at every level is therefore the key to improved efficiency. The Company has always been investing in innovative technology transforming into cutting edge product and services offerings and has been speeding up its digitization momentum. In digitization, we are implementing end-to-end digitized products and processes which were the focus areas in 2016-17. We have been able to enhance our process and improve our service across all products based on the digital initiatives and we are now digitally on boarding customers through web and tab based services across all our products. We have a robust policy framework which drives decentralized decision-making drawn from local knowledge enabling speedy dissemination of loans.

Our dynamic and dedicated workforce drive operations from loan origination, pre-lending field investigations to post lending credit appraisal. The knowledge and skill set of our people help us function proficiently in a rapidly changing business environment. We encourage transparency, innovation and a supportive work environment, where each and every person can realize his/her potential.

We give emphasis on affordable housing, offering loans under Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (PMAY-CLSS). In an attempt to ensure our relations – developers, employees and potential customers recognize about the benefits under PMAY, we have undertaken trainings, conducted workshops, run nukkad naatak, etc. The Company is also looking forward to build associations with various state housing boards as a key loan partner for affordable housing projects. By aligning ourselves with the government

initiative, we are not only just lending loans to customers but also enabling them buy their first home, ultimately contributing towards the vision of 'Housing for All'.

Improved Credit Rating

During the year, we received rating upgrade by CRISIL to 'CRISIL AA/Stable' from 'CRISIL AA-/Stable'. This was taking into account the strong capital adequacy, negligible gearing, comfortable liquidity, growth in business and reduction in proportion of wholesale portfolio.

Risk Management

At IIFL Housing Finance, we follow an effective, simple and consistent risk management model that complements our business growth. Our risk management process begins with a well-documented policy, which is implemented by our team of experienced industry professionals. Our risk management processes include the tested templates and procedures for financial analysis for retail transactions. Extensive personal discussions with the customers are conducted to assess their overall financial health and sustainability of their income. We have a strong system to capture and examine data related to the customers, supported by quality underwriting. As on March 31, 2017, our Gross NPAs were at 0.6% and Net NPAs at 0.3%.

I would like to thank all our stakeholders for their faith in us and their constant support. We will continue to stay focused on creating value for both external and internal stakeholders.

Regards,

Monu Ratra
Chief Executive Officer (CEO)

BROADENING OFFERINGS

India is now rapidly entering a phase of massive entrepreneurship. Thanks to the popularity of the Make in India initiative, more and more people are inclined towards becoming entrepreneurs, thereby setting off a huge demand for small and moderate ticket sized loans. This segment seems to have a massive potential in the coming future and will provide IIFL Housing Finance to successfully reach a wider spectrum of people and partner in the country's future growth. With the ever changing customer requirements, we now intend to introduce products which would suit the needs of various customers.





Swaraj Home Loans

During the year, we re-launched Swaraj loan at pan-India level with an average ticket size of ₹ 10-11 lakhs to cater to the needs of lower-middle income category and help them in achieving their dream of owning a house. The demand for housing is expected to remain strong, supported by the growing population, young demographic profile, shift towards nuclear families and rapid urbanization. Given the wide disparity in household income in the country and the high real estate prices which act as a deterrent for buyers, a predominant share of this demand would be concentrated in the low-cost and affordable housing segments.

Fulfilled Customers



Mr. Sanjay Sharma, Contract Worker,
Location - Faridabad



Anju Devi,
Location - Rewari (Haryana)



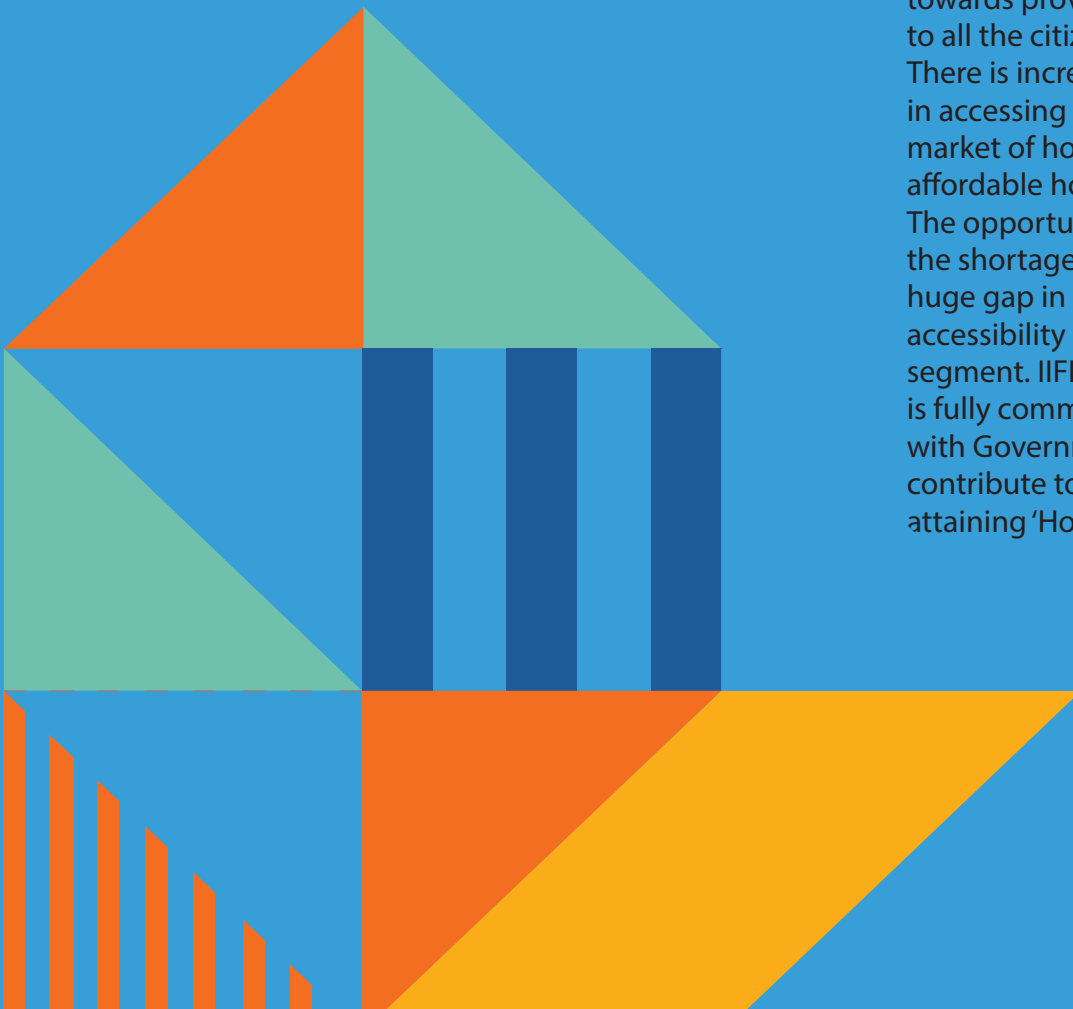
Granite trader allotted EWS in Ram Nagar,
Kota EWS Affordable Housing Scheme



Shakuntala
Location - Rewari (Haryana)

COLLABORATION WITH GOVERNMENT

The central government's objective of achieving 'Housing for All by 2022' serves as a driving force towards providing shelter to all the citizens of India. There is increased interest in accessing the untapped market of housing finance in affordable housing segment. The opportunities arise from the shortage of housing and huge gap in availability and accessibility of finance in this segment. IIFL Housing Finance is fully committed to work with Government of India and contribute towards its aim of attaining 'Housing for All'.





Credit Linked Subsidy Scheme

Under the scheme, the Government provides interest subsidy up to 6.5% to first time home buyer with household income up to ₹ 1.5 lakh per month. IIFL Housing Finance is optimistic that the Government's interest subsidy scheme will boost affordable housing. It has been a major player in this segment having released around 11% of the total subsidy given by the Government in the financial year 2016-17, and sees a huge growth potential going forward.



Priority Sector Lending

Priority sector lending has been one of the key focus areas of IIFL Housing Finance. We expect higher growth for Priority sector lending business as our focus on affordable housing projects are relatively higher with concentration in Tier-II and smaller cities. Our forecast is further supported by the fact that demand growth for affordable housing will exceed overall housing demand growth over the next few years, owing to a greater focus of real estate developers in this segment. In 2016-17, more than 75% of disbursed cases qualified for the priority sector lending criteria. Due to the composition of the credit portfolio, IIFL Housing Finance is one of the leading participants in the securitization market. We assign pool of housing and non-housing loans and manage servicing of such loan accounts under the securitization/assignment agreements with buyers/ investors.



First Time Refinance from NHB

National Housing Bank (NHB) offers a special refinance scheme to mortgage lenders for loans to low-income groups, an initiative that is likely to create a long-term market for fixed-rate housing loans and boost affordable housing. Lenders, including housing finance companies, will use the funds from NHB to offer loans to low-income borrowers at concessional fixed interest rates and insulate them from the volatility of rates. IIFL Housing Finance received first time refinance from NHB of ₹ 1,600 million demonstrating our impact as a valued customer under the affordable housing market.



Association with State Governments

The State and Central Government possess majority of land parcels in most of the city centers in the country. These land parcels provide huge opportunities for development towards affordable housing. The Company is looking forward to build associations with various state housing boards to further enable financing to customers under the various schemes launched. The Company has approached various Housing Boards, Urban Local Bodies, Municipal Councils, Authorities, etc. and has offered its loan products in conjunction with the Credit Linked Subsidy benefit to urban poor. In a short while, the Company has become the preferred lending partner for more than 15 housing boards and government bodies. For Government affordable housing projects, we are working majorly in Rajasthan, Haryana, Punjab, Chhattisgarh, Madhya Pradesh, Tamil Nadu, Andhra Pradesh and Gujarat.

TRANSFORMING WITH TECHNOLOGY

At IIFL Housing Finance, information technology facilitates faster and informed decision-making and robust and efficient risk management enables us to thrive in a competitive environment. We regularly invest in upgrading our infrastructure processes to ensure speed and accuracy in our functions. With the increasing volumes, processes and expansion of branch network, the information technology system has been customized to ensure streamlined operations.

During the year, we launched 'Jhatpat Loan' an intelligent digitization leader in the mortgage industry. This tablet based on-boarding solution has reduced the time for a soft sanction from days to just an hour. CIBIL reports and other information are fetched at the back end and decision-making is made on the basis of this within one hour.



Jhatpat Tablet

Jhatpat Tablet application is an express customer on-boarding solution for Home Loans. This solution reduces the time for a soft sanction from days to just an hour. The application has the capability of taking a decision based on the data which has been input as well as based on real time CIBIL reports of the applicants. This is a step forward in alignment with the country's and company's vision of digitization.

The sales force of over 500 employees all over India now has a tab and is processing all salaried cases through Jhatpat loans. Jhatpat Home Loans is an ideation inspired by the thought of an efficient and transparent process for both the users as well as the customers. The sales users are achieving better productivity and customers know upfront if the case will be processed further or not.

Jhatpat Loans will soon be upgraded to equip loan processing of self-employed applications, ensuring end to end digitization in processing for all products. This new process disrupts conventional mortgage loan process, moving towards 'jhatpat', paperless and branchless applications.

Mobile App

Going an extra mile, a customer app namely, 'IIFL Loans' for providing post-sales services for existing customers was also floated. This empowers the customer to handle queries on their own. For example, customers can download their interest certificates from the app hassle free, post authentication of credentials.

Going ahead we will concentrate on

- Advancement to a scalable and flexible technology landscape
- Strengthen data security functions
- Install analytical tools with various functions
- New technology platform for improving customer acquisition and reducing the turnaround time with minimal transfer of physical documents

Approved Project Finance Module

APF Empanelment application streamlines the approval and empanelling process of projects wherein multiple teams across multiple locations in the country namely sales, technical, credit & legal, can efficiently and seamlessly receive approval from builders and its projects. The benefits encompass real time update of stage of construction of projects, making informed decisions based on payment plans, exposure and units financed, and higher transparency in terms of approval process and timely escalations. The scope of iterations and errors has been diminished which has significantly reduced the turnaround time.

CORPORATE SOCIAL RESPONSIBILITY

CSR is entrenched in our governance and plays a critical role in our business strategy of responsible growth.



Supporting community learning centers in Rajasthan

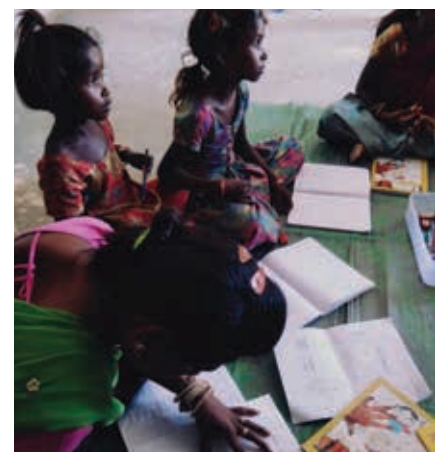
Key Initiatives

ERADICATING ILLITERACY AMONG GIRLS

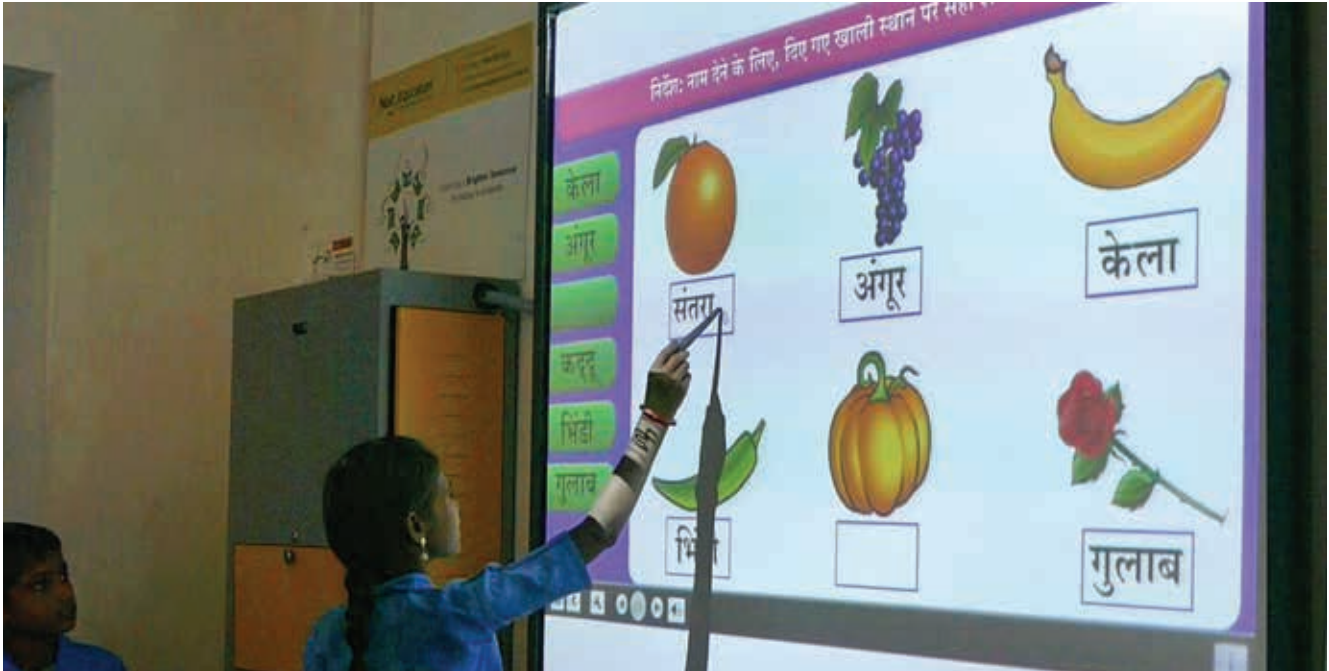
We propose to embark on an audacious mission - that of eradicating female illiteracy in the state of Rajasthan. We believe that education is the best investment for the future as it benefits not only one person in the family but all the next generations. An educated workforce will be better placed to solve social issues and take the country on an accelerated development path and educating girls is an essential step in this regard.

260

India Infoline Foundation started 260 community learning centers for out-of-school and illiterate girls in South Rajasthan, in the tribal districts of Rajsamanad and Udaipur.



Bringing girls back into the fold of education



Bridging the gap by means of modern technology, a girl operating a 'Smart Board' installed at Kadechawas Village, Gogunda, District - Udaipur

India Infoline Foundation has vowed to eradicate illiteracy among girls from the state of Rajasthan by 2030 and thereby contribute towards achieving sustainable

development goals in education in one of the most difficult and challenging states in India. IIFL brings a strong professional approach, an ability to take a long-term

perspective, an innovative and out-of-the box approach, capacity to understand and bring best practices from across the world in the program and also uses technology on a large scale in the program.



Bringing girls back into the fold of education

Since June 2016 in this financial year IIFL started 260 community learning centers for out-of-school and illiterate girls in South Rajasthan, in the tribal districts of Rajsamanad and Udaipur. This initiative has managed to bring over 7,800 girls back into the fold of education.

7,800

No. of Girls brought back into the fold of education.

Corporate Overview

Statutory Reports

Financial Statements

ADVISORY BOARD



Mr. Keki Mistry

Mr. Keki M. 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, Torrent Power. He is also on the board of CDC Group, London.



Mr. Keki Dadiseth

Mr. Keki Dadiseth, a Fellow member of The Institute of Chartered Accountants in 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 Britannia Industries, Piramal Enterprises, Siemens, Godrej Properties, JM Financial Ltd. & J M Financial Services Ltd. 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 Boards of Accenture Services Pvt. Ltd., PricewaterhouseCoopers Pvt. Ltd. and Indian School of Business, and a Senior Advisor to the World Gold Council, India.



Mr. Ashok Jha

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. Sat Pal Khattar

Mr. Khattar 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 and a member of the President Council for Minority Rights. He is 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. S. Venkatachalam

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. He was an advisor to Karvy Financial Services from 2010-2016. 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 labour laws.


Mr. Somasekhar Sundaresan

Mr. Somasekhar Sundaresan is an independent counsel with a regulatory litigation practice focused on securities laws, competition law, exchange controls and corporate law. Prior to setting up chambers as counsel, he was a partner at J. Sagar Associates, a national law firm and headed the firm's financial sector regulatory practice.

BOARD OF DIRECTORS



Mr. S. Sridhar

Chairman and Independent Director

Mr. S. Sridhar holds degree from IIT, Delhi and did his Master's from Jamnalal Bajaj Institute of Management Studies, Mumbai. He is an eminent personality in the banking and finance industry with more than 38 years of rich experience and has held several senior positions in retail, corporate and export/import banking in his career. He is widely acknowledged as an innovative, market oriented banker and strategic thinker providing transformational leadership to the organizations he has worked with. He was the Chairman of National Housing Bank (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 associated with Export Import Bank of India and State Bank of India as an Executive Director. Mr. Sridhar has been a pioneer in championing the concept of affordable housing in India and contributed significantly to public policy formulation.

Mr. Nirmal Jain

Non-Executive Director

Mr. Nirmal Jain, Founder and Chairman of IIFL Holdings Limited., is a PGDM (Post Graduate Diploma in Management) from IIM (Indian Institute of Management), Ahmedabad, a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited. He founded Probitry Research and Services Pvt. Ltd. (later renamed India Infoline Limited) in 1995; one of the first independent equity research companies in India. He was instrumental in steering the groups foray into various financial sector activities that have grown over the years into significant businesses in terms of net worth and profitability. Under his leadership, IIFL Group has attained its position as a dominant and diversified player in the financial services space over the past 22 years.

Mr. R. Venkataraman

Non Executive Director



Mr. R. Venkataraman, Co-Promoter and Managing Director of IIFL Holdings Limited., is a B.Tech (Electronics and Electrical Communications Engineering, IIT Kharagpur) and an MBA (IIM, Bangalore). He has been contributing immensely into the establishment of various businesses and spearheading key initiatives of the group over the past 18 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays – BZW. He worked as the Assistant Vice President with G E Capital Services India Limited in their private equity division. He has a varied experience of more than 26 years in the financial services sector.

Ms. Rajashree Nambiar

Non Executive Director



Ms. Rajashree Nambiar holds a Master's Degree in Management from Jamnalal Bajaj Institute of Management Studies and Bachelor of Science in Physics (Honours). She is an experienced retail banking professional with over 22 years of experience working in distribution, planning, products planning and project management. Her strong people management skills, handling large teams in both frontline and product functions, make her an asset to our company. Additionally, Ms. Rajashree has experience working in retail banking, sales management, channel management, product/ portfolio management, marketing/ client segmentation, risk management, cost management and strategic projects. Before joining IIFL, she worked with Standard Chartered Bank as a general manager, and has had vast exposure to retail banking products, branding and marketing in India and South Asia.

Mr. Kranti Sinha

Independent Director



Mr. Kranti Sinha completed his masters from the Agra University and started his career as a Class I Officer with Life Insurance Corporation of India (LIC). He served as the Director and Chief Executive of LIC Housing Finance Limited from August 1998 to December 2002 and concurrently as the Managing Director of LIC Housing Finance Limited (a wholly-owned subsidiary of LIC Housing Finance Limited). He retired from the permanent cadre of 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 apart from various other such bodies.

Mr. Monu Ratra

Executive Director & CEO



Mr. Monu Ratra has been in mortgages with brands like HDFC Ltd., ICICI Bank and Indiabulls Housing. Prior to joining India Infoline Housing Finance Ltd., his last assignment was with Indiabulls HFC as National Business Manager. Mr. Ratra has been a part of the pioneering teams leading various functions to provide excellence through process and quality initiatives, contributing to industry-leading growth. While with the last company, his efforts and vision led to building of a growth sales structure, starting from a scratch, in a start up like environment.

At IIFL Home Loans, Mr. Ratra brought a strong focus on developing and delivering customer satisfaction with ease and low turn around time. As a 18-year veteran of the mortgage industry, he is passionate about building stronger businesses, adapting and aligning company with new technology and digital era, and maintaining everlasting culture of customer centricity.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Eleventh Annual Report of your Company with the Audited Financial Statements for the financial year ended March 31, 2017.

1) FINANCIAL RESULTS

(Amount ₹ in million)

| Particulars | 2016-17 | 2015-16 |
|------------------------------|----------|----------|
| Gross Total Income | 9,049.76 | 5,522.59 |
| Less: Expenditure | 7,778.55 | 4,413.75 |
| Profit/ Loss before Taxation | 1,271.21 | 1,108.84 |
| Less: Taxation | 435.63 | 388.25 |
| Net Profit/ (Loss) after Tax | 835.58 | 720.59 |

2) REVIEW OF BUSINESS

Your Directors are pleased to inform that during the year under review, the Company has earned a Net Profit of ₹ 835.58 million as compared to previous year's Net Profit of ₹ 720.59 million, an increase of 15.96%. Total Revenue has grown by 63.87% and stood at ₹ 9,049.76 million as against ₹ 5,522.59 million in the previous year.

The Loan book of Company grew robustly by 55.03% to ₹ 81,924.01 million as of March 31, 2017 as against ₹ 52,842.96 million in the previous year. The Gross NPA for 2017 is ₹ 519.22 million (0.63%) while Net NPA is ₹ 225.42 million (0.28%).

3) RESOURCE MOBILISATION

Non Convertible Debentures (NCDs)

During the year under review, the Company issued Secured Redeemable Non Convertible Debentures aggregating to an amount of ₹ 15,473 million. Further, during the year under review, the Company issued Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to an amount of ₹ 150 million. During the year under review, the Company redeemed Non Convertible Debentures of amounting to ₹ 1,580 million (face value), issued on private placement basis.

The Company has been regular in making payments of principal and interest on NCDs. The Company has complied with the provisions of 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. As on March 31, 2017, no Debentures, other than the stated above, issued on the private placement basis, were due or outstanding for redemption.

Assignment of Loans

During the year, the Company has securitised/assigned the receivables of housing loan portfolio aggregating to ₹ 7,654.68 million and non-housing loan portfolio aggregating to ₹ 8,825.80 million. The Company was appointed as servicer by the Assignee/Trustee to collect and receive payment of the receivables from the Securitised/Assigned Assets. In case of assignment transaction, the receivables 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 Company availed ₹ 1,600 million of first time refinance facility from NHB under various refinance schemes of NHB. Further, the Company raised funds by way of borrowing from term loans, issuance of Commercial paper and other sources. Details of same are provided in the point (v) to Annexure I to this report.

4) DIVIDEND

- The Board, at its meeting held on October 24, 2016, declared and paid interim dividend on redeemable preference shares till date of redemption of these shares. The total outgo on account of interim dividend (excluding Dividend Distribution Tax) was ₹ 12.55 million.
- 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.

5) TRANSFER TO RESERVES

During the year under review, the Company transferred ₹ 194.00 million (23.22% of Net Profit for the year) to Special Reserves under the provisions of Section 29C of the National Housing Bank Act, 1987. As on March 31, 2017, the said Reserves stood at ₹ 567.70 million.

6) SHARE CAPITAL OF THE COMPANY

During the year under review, the existing Authorised Share Capital of the Company of ₹ 1,720,000,000 (Rupees one hundred and seventy two crore only) divided into 1,70,00,000 (One crore seventy lakh) Equity Shares of ₹ 10 (Rupees ten only) each and 1,55,000,000 (Fifteen crores and fifty lakh) Preference shares of ₹ 10 (Rupees ten only) each was reclassified to ₹ 1,720,000,000 (Rupees one hundred and seventy two crore only) divided into 1,52,000,000 (Fifteen crore and twenty lakh) Equity Shares of ₹ 10 (Rupees ten only) each and 20,000,000 (Two crore) Preference Shares of ₹ 10 (Rupees ten only) each.

During the year under review, the Board of Directors at its meeting held on October 24, 2016 approved the redemption of 20,000,000, 10% Non Convertible Cumulative Preference Shares of ₹ 10 each. The above Preference Shares were redeemed at premium of ₹ 5 per share. As on March 31, 2017, there was no paid-up Preference Share Capital.

During the year, the Company has issued 3,000,000 equity shares of face value of ₹ 10 each at a premium of ₹ 740 per share on September 30, 2016 and 2,000,000 equity shares of face value of ₹ 10 each at a premium of ₹ 790 per share on March 30, 2017. As on March 31, 2017, paid-up share capital of the Company stands at ₹ 199.68 million.

7) 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.

8) 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.

9) VIGIL MECHANISM

In Compliance with the provisions of Section 177(9) of the Companies Act, 2013 read with the rules made there under, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimization of Whistle Blower who avails of such mechanism and also provides for the access to the Chairman of the Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee.

10) CREDIT RATING

During the year under review, the Company's Secured Non-Convertible Debentures were rated as [ICRA] AA (stable outlook) by ICRA Limited, CARE AA (Double A) by Credit Analysis & Research Ltd and CRISIL AA/Stable by CRISIL Limited.

During the year under review, CRISIL has upgraded its rating on the long-term debt instruments of the Company to 'CRISIL AA/Stable' from 'CRISIL AA-/Stable'.

Further Unsecured Non Convertible Debentures were rated as BWR AA+ with Stable Outlook by BRICKWORK Ratings, [ICRA] AA (stable outlook) by ICRA Limited and CRISIL AA (stable outlook) by CRISIL Limited.

11) CORPORATE AGENCY

During the year ended March 31, 2017, the Company has been granted a Certificate of Registration (Reg. No. CA0453) by Insurance Regulatory and Development Authority of India ("IRDA") to act as Corporate Agent. The Certificate is valid till January 29, 2020.

12) RISK MANAGEMENT

Your Company has a Board approved Integrated Risk Management Policy which has laid down a framework for identifying, assessing, measuring various elements of risk involved in the business and formulation of procedures and systems for mitigating such risks. The Risk Management Committee of the Board of Directors of your Company reviews its risk management policies, systems and processes periodically.

Your Company's Management confirms that no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operation in future in accordance with Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014.

13) ANNUAL EVALUATION OF THE BOARD

- (a) Pursuant to the provisions of the Companies Act, 2013 the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors.
- (b) In compliance with the provisions of the Companies Act, 2013, the Independent Directors held a meeting on March 17, 2017, and
 - Reviewed the performance of Non-Independent Directors and the Board as a whole;
 - Reviewed the performance of the Chairperson of the Company;
 - Assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board, which is necessary for the Board to effectively and reasonably perform their duties;
 - The review took into consideration of the various aspects of the Board's functioning, composition of

the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors, the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions.

14) DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

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

Key Managerial Personnel

Mr. Monu Ratra, Executive Director & CEO, Mr. Ajay Jaiswal, Company Secretary and Mr. Amit Gupta, Chief Financial Officer are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and Rules made thereunder. None of the Key Managerial Personnel has resigned or appointed during the year under review.

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2017 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as "Annexure I" and forms a part of this Report of the Directors.

15) STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

In terms of provisions of sub-section (7) 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 fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Director.

16) 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 shall be completing 10 years on the 11th Annual General Meeting to be held this year. As required under the Companies Act, 2013 and Rules framed thereunder, Statutory Auditors of the Company would vacate the Office after

completion of 10 years since their appointment. Therefore, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W- 100018) is being proposed to be appointed as the Statutory Auditors of the Company for the first term of 5 years from conclusion of the ensuing Annual General Meeting, subject to the ratification of their appointment by shareholders in every Annual General Meeting during their tenure.

M/s. Sharp and Tannan Associates, Chartered Accountants will continue to act the Auditors of the Company till forthcoming Annual General Meeting.

Pursuant to third proviso of Section 139(2) of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants has given their consent to act as the Statutory Auditors of the Company.

The Board places on record its sincere appreciation for the services rendered by the M/s. Sharp and Tannan Associates, Chartered Accountants during their tenure as the Statutory Auditors of the Company.

17) REPORTING OF FRAUDS BY AUDITORS

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

18) 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 17.58% (as against 12% prescribed by the NHB) as on March 31, 2017.

19) 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 Board constituted an Audit Committee of Directors to be known as the Audit

Committee. The Audit Committee met 5 times during the year under review, on May 04, 2016, July 28, 2016, October 24, 2016, January 24, 2017 and March 08, 2017.

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 | 5 | 5 |
| Mr. Kranti Sinha | 5 | 5 |
| Mr. R Venkataraman | 5 | 5 |

The Company Secretary of the Company acts as a Secretary to 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. 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 Board has constituted a Stakeholders Relationship Committee of the Directors. During the year under review, the Committee met once on October 24, 2016.

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

| Name | No. of Meetings held | No. of Meetings attended |
|-----------------------|----------------------|--------------------------|
| Mr. R Venkataraman | 1 | 1 |
| Mr. Monu Ratra | 1 | 1 |
| Ms. Rajashree Nambiar | 1 | 1 |

The terms of reference of the said Committee are prescribed by the Board in accordance with the provisions of the Companies Act, 2013 and Rules framed thereunder, which, inter alia, includes the following:

- 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 Board has constituted a CSR Committee.

The Committee met once during the year under review, on January 25, 2017.

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 | 1 | 1 |
| Mr. R Venkataraman | 1 | 1 |
| Mr. Nirmal Jain | 1 | 1 |

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 the 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 thereto 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 the Directors. During the year under review, the Committee met once on May 4, 2016.

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

| Name | No. of Meetings held | No. of Meetings attended |
|--------------------|----------------------|--------------------------|
| Mr. Kranti Sinha | 1 | 1 |
| Mr. S Sridhar | 1 | 1 |
| Mr. R Venkataraman | 1 | 1 |

Terms of reference of the Nomination and Remuneration Committee shall be as governed by the provisions of

section 178 of Companies Act, 2013 read with applicable rules made thereunder.

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.

20) EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return of the Company in form MGT – 9 is annexed herewith as "Annexure I".

21) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

22) 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 is no qualification or observation or adverse remark made by the Secretarial Auditors in their Report.

23) NUMBER OF MEETINGS OF THE BOARD

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 6 times during the year under review on May 4, 2016, July 28, 2016, September 23, 2016, October 24, 2016, January 24, 2017 and March 08, 2017.

The details of the Board composition and the Board Meeting during the year are given below:-

| Name | Meeting and Attendance (2016-17) | |
|--|----------------------------------|----------|
| | No. of Meetings held | Attended |
| Mr. S Sridhar (Chairman, Non Executive Independent) | 6 | 6 |
| Mr. Monu Ratra (Executive Director & CEO) | 6 | 4 |
| Mr. Nirmal Jain (Non Executive) | 6 | 6 |
| Mr. R Venkataraman (Non Executive) | 6 | 6 |
| Ms. Rajashree Nambiar (Non Executive) | 6 | 6 |
| Mr. Kranti Sinha (Non Executive Independent) | 6 | 5 |

24) NAME & CONTACT DETAILS OF DEBENTURE TRUSTEES

a. IDBI Trusteeship Services Limited

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

b. Vistra ITCL (India) Limited

(Formerly known as IL&FS Trust Company Limited)
IL&FS Financial Centre,
Plot C-22, G Block, Bandra- Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel: +91 22 2659 3535
Fax: + 91 22 2653 3297
E-mail: mumbai@vistra.com

c. Milestone Trusteeship Services Private Limited

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

25) 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, 2017 and states that:

- 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.

26) 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.

27) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

As the Company is a housing finance company, the disclosures regarding particulars of the loans made, guarantee given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013. As such the particulars of loans and guarantee have not been provided in this report.

As regards investments made by the Company, the details of the same are provided under Notes No. 13 forming part of the Audited Financial Statements for the year ended March 31, 2017.

28) 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 into 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 parties transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related parties are disclosed in the Notes to Accounts in the standalone financial results of the Company for the year ended March 31, 2017.

29) 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.

The information pursuant to section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:-

- i. Parts A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- ii. Foreign Exchange earnings and outgo: Earnings- Nil
Outgo- ₹ 0.22 million on account of Advertisement expense (previous year: Nil)

30) 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.

31) 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 was no complaint received by the Company during the year under review.

32) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Management Discussion and Analysis Report forming part of the Directors Report are provided in this Report at Annexure VII.

33) 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 the 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
- f. The Policy on Related Party Transaction- Annexure VI
- g. Management Discussion and Analysis Report- Annexure VII

34) ACKNOWLEDGEMENTS

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

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, dealers, vendors, banks and other business partners for the excellent support received from them during the year. Your company's employees are instrumental in your company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as shareholder is also greatly valued. Your Directors look forward to your continuing support.

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 3, 2017

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 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6270 Fax: +91 22 4918 6060 E-mail : rnt.helpdesk@linkintime.co.in |

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 | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a. Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b. Central Govt./ State Govt. | - | - | - | - | - | - | - | - | - |
| c. Body Corporate | 14,967,581 | 600* | 14,968,181 | 100 | 19,967,581 | 600* | 19,968,181 | 100 | Nil |
| d. Banks/ FIS | - | - | - | - | - | - | - | - | - |
| e. Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A) (1) | | | | | | | | | |
| 2) Foreign | | | | | | | | | |
| a. NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b. Other Individuals | - | - | - | - | - | - | - | - | - |
| c. Body Corporate | - | - | - | - | - | - | - | - | - |
| d. Bank/ FI | - | - | - | - | - | - | - | - | - |
| e. Any Other | - | - | - | - | - | - | - | - | - |

| 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 | |
| Sub Total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A) = (A)(1) + (A) (2) | 14,967,581 | 600* | 14,968,181 | 100 | 19,967,581 | 600* | 19,968,181 | 100 | Nil |
| B. Public Shareholding | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| 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) | - | - | - | - | - | - | - | - | - |
| Sub- Total (B) (1) | | | | | | | | | |
| 2) Non-Institutions | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - |
| Sub (B) (2) | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDR's and ADR's | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 14,967,581 | 600* | 14,968,181 | 100 | 19,967,581 | 600* | 19,968,181 | 100 | Nil |

*Shares were held by six nominee shareholders holding 100 equity shares each on behalf of India Infoline Finance Limited.

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 | 14,968,181* | 100 | - | 19,968,181 | 100 | - | Nil |

*Includes 600 equity shares held by 6 nominee shareholders holding 100 equity shares each on behalf of India Infoline Finance Limited.

iii. Change in Promoters' Shareholding: Nil

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Company is 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 | Rajashree Nambiar – Director | - | - | - | - |
| 6 | Monu Ratra- ED & CEO* | 100 | Negligible | 100 | Negligible |
| 7 | Ajay Jaiswal- Company Secretary | - | - | - | - |
| 8 | Amit Kumar Gupta – Chief Financial Officer* | 100 | Negligible | 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

(Amount ₹ in million)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total |
|--|----------------------------------|------------------|----------|------------------|
| Indebtedness at the beginning of the financial year | | | | |
| 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 | 74.29 | - | 1,164.21 |
| Total (i+ii+iii) | 34,705.31 | 9,947.54 | - | 44,652.85 |
| Change in Indebtedness during the financial year | | | | |
| Additions / (Reduction) | | | | |
| i. Principal Amount | 20,027.94 | 1,196.18 | - | 21,224.12 |
| ii. Interest Due but not paid | - | - | - | - |
| iii. Interest Accrued but not due | 1452.36 | 30.99 | - | 1,483.35 |
| Net Change | 21,480.30 | 1,227.17 | - | 22,707.47 |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | 53,643.33 | 11,069.43 | - | 64,712.76 |
| ii. Interest Due but not paid | - | - | - | - |
| iii. Interest Accrued but not due | 2,542.28 | 105.28 | - | 2,647.56 |
| Total (i+ii+iii) | 56,185.61 | 11,174.71 | - | 67,360.32 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount ₹ in million)

| Sr. No. | Particulars of Remuneration | Managing Director – NA | Mr. Monu Ratra - Executive Director & CEO | Manager – NA | Total Amount |
|---------|--|------------------------|---|--------------|--------------|
| 1 | Gross Salary | | | | |
| | Salary as per provisions contained in Section 17 (1) of Income Tax Act, 1961 | - | 16.59 | - | 16.59 |
| | 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 a % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |

(Amount ₹ in million)

| Sr. No. | Particulars of Remuneration | Managing Director – NA | Mr. Monu Ratra - Executive Director & CEO | Manager – NA | Total Amount |
|---------|-------------------------------|--|---|--------------|--------------|
| 5 | - Others, (performance bonus) | - | 2.50 | - | 2.50 |
| | Total (A) | - | 19.09 | - | 19.09 |
| | 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. | | | |

B. Remuneration to other Directors

(Amount ₹ in million)

| Sr. No. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---------|--|--|-------------|--------------|
| | | Kranti Sinha | S Sridhar | |
| 1 | Independent Directors | | | |
| | Fees for attending Board Committee Meeting | 0.45 | 0.48 | 0.93 |
| | Commission | - | 1.00 | 1.00 |
| | Others, please specify | | | |
| | Total (1) | 0.45 | 1.48 | 1.93 |
| 2 | Other Non- Executive Director | | | |
| | Fees for attending Board Committee Meeting | - | - | - |
| | Commission | - | - | - |
| | Others, please specify | - | - | - |
| | Total (2) | - | - | - |
| | Total B (1+2) | 0.45 | 1.48 | 1.93 |
| | Total Managerial Remuneration | 0.45 | 1.48 | 1.93 |
| | Overall ceiling as per the Act. | 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 was well within the limits prescribed under the Companies Act, 2013 and the approval accorded by the Members of the Company. | | |
| | | The remuneration paid to the Directors of the Company was within the overall ceiling as prescribed under the Companies Act, 2013. | | |

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

(Amount ₹ in million)

| Sr. No. | Particulars of Remuneration | Mr. Monu Ratra -Executive Director & CEO* | Mr. Ajay Jaiswal -Company Secretary | Mr. Amit Gupta - Chief Financial Officer | Total |
|----------|--|---|---|--|--------------|
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in Section 17 (1) of Income Tax Act, 1961 | 16.59 | 3.08 | 2.82 | 22.49 |
| | (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 % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| | - Others, (performance bonus) | 2.50 | 0.80 | 0.75 | 4.05 |
| 5 | Total | 19.09 | 3.88 | 3.57 | 26.54 |

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 |
|---------------------------|------------------------------|-------------------|--------------------------------------|----------------------------|---------------------|
| Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| Other officers in Default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

Not Applicable

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 3, 2017

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. OUTLINE OF CSR POLICY

The CSR Policy and projects of India Infoline Housing Finance Limited are steered by the same values that guide the business of the IIFL Group of Companies. It can be summarized in one acronym – GIFTS, which stands for:

- Growth
- Integrity
- Fairness
- Transparency
- Service Orientation

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

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

- Girl Child Illiteracy eradication program
- Rural Development & Poverty Alleviation
- Financial Literacy Program
- Healthcare

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, 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 ₹ 783,180,338.

b) Prescribed CSR Expenditure

The recommended CSR expenditure for India Infoline Housing Finance Limited as per Section 135 for the financial year 2016-17 was ₹ 15,663,607.

c) Amount Spent

During the financial year 2016-17, India Infoline Housing Finance Ltd. could spend entire amount i.e. ₹ 15,664,000 (excess of ₹ 393) on various social development activities.

d) Amount unspent

Nil

4. Details of CSR spent during the financial year

During FY 2016-17, India Infoline Housing Finance Limited spent a total of ₹ 15,664,000 on CSR projects. A breakdown of the manner in which this expenditure was made, has been depicted in the table given 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 | Preventive Medical Health Camp at Pandharpur | Preventive Health | Pandharpur, Maharashtra | 10,00,000 | Direct -10,00,000 | 10,00,000 | 10,00,000 Through India Infoline Foundation. |
| 2 | Gift of Vision – Free eye surgeries for poor & needy | Health | Barsana, Uttar Pradesh | 15,00,000 | Direct- 15,00,000 | 15,00,000 | 15,00,000 Through India Infoline Foundation. |
| 3 | Supporting Health Interventions | Preventive Health | Kolkata, West Bengal | 6,500 | Direct- 6,500 | 6,500 | 6,500 Through India Infoline Foundation. |
| 4 | Supporting Health Interventions | Preventive Health | New Delhi | 70,000 | Direct- 70,000 | 70,000 | 70,000 Through India Infoline Foundation. |
| 5 | Supporting Health Interventions | Preventive Health | Mumbai, Maharashtra | 24,036 | Direct- 24,036 | 24,036 | 24,036 Through India Infoline Foundation. |
| 6 | Supporting Health Interventions | Preventive Health | Valsad, Gujarat | 25,00,000 | Direct- 25,00,000 | 25,00,000 | 25,00,000 Through India Infoline Foundation. |
| 7 | Supporting Financial Literacy Programs | Education | West Bengal | 4,69,011 | Direct- 4,69,011 | 4,69,011 | 4,69,011 Through India Infoline Foundation. |
| 8 | Supporting Financial Literacy programs | Education | Mumbai, Maharashtra | 10,52,572 | Direct- 10,52,572 | 10,52,572 | 10,52,572 Through India Infoline Foundation. |
| 9 | Supporting Girl Child Education Program | Education | Rajasthan | 25,80,000 | Direct- 25,80,000 | 90,41,881 | 90,41,881 Through India Infoline Foundation. |

India Infoline Housing Finance Limited and the other IIFL group companies are committed to social development and through its corporate social responsibility activities has undertaken several high impact projects in its quest to contribute proactively to nation development. Some of these have been briefly discussed below:

Girl Child illiteracy eradication program: It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of Rajasthan. India Infoline Foundation has vowed to change this in next few years through starting community schools which are multi grade multi-level schools started in the villages as per the convenience of the girls to enable them to get educated. With 260 schools, India Infoline foundation has already brought back over 8000 girls into the fold of education. And this is just the beginning.

Supporting Sports: India has always lacked behind in sports despite having no dearth of talent and people. What is needed, is adequate exposure, proper coaching and support to the players. India Infoline Foundation organizes grass root level yet International class sports tournaments to not only identify but nurture talent and provide necessary platform for the budding sports enthusiast to excel and move up the charts.

Financial Literacy and Financial Inclusion: Financial Literacy is not only a moral obligation for IIFL, a Company operating in the financial space, but it is also one of the most needed activity in a rapidly developing Country like ours. In 2016 – 17, IIFL made forays into West Bengal and worked with over 10,000 women from different Districts on not only spreading financial literacy but importantly ensuring that these women open a bank account and use it regularly as well as avail the different Government schemes.

Responsibility statement of the CSR Committee: Through this report, India Infoline Housing Finance Limited 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 and the CSR Committee 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

R. Venkataraman
Chairman – CSR Committee
DIN: 00011919

Monu Ratra
Executive Director & CEO
DIN: 07406284

Place: Mumbai
Date: May 3, 2017

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 the 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. | <table border="1"> <tr><td>Executive Chairman</td><td>Nil</td></tr> <tr><td>Executive Director & CEO</td><td>54.84x</td></tr> <tr><td>Non Executive Director</td><td></td></tr> <tr><td>Mr. S. Sridhar</td><td>3.23x</td></tr> <tr><td>Mr. Kranti Sinha</td><td>Nil</td></tr> <tr><td>Mr. Nirmal Jain</td><td>Nil</td></tr> <tr><td>Mr. R. Venkataraman</td><td>Nil</td></tr> <tr><td>Ms. Rajashree Nambiar</td><td>Nil</td></tr> </table> | Executive Chairman | Nil | Executive Director & CEO | 54.84x | Non Executive Director | | Mr. S. Sridhar | 3.23x | Mr. Kranti Sinha | Nil | Mr. Nirmal Jain | Nil | Mr. R. Venkataraman | Nil | Ms. Rajashree Nambiar | Nil | | | | | | |
| Executive Chairman | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Executive Director & CEO | 54.84x | | | | | | | | | | | | | | | | | | | | | | | |
| Non Executive Director | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. S. Sridhar | 3.23x | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Kranti Sinha | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Nirmal Jain | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. R. Venkataraman | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Ms. Rajashree Nambiar | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year. | <table border="1"> <tr><td>Executive Chairman</td><td>Nil</td></tr> <tr><td>Executive Director & CEO</td><td>14%</td></tr> <tr><td>Non Executive Director</td><td></td></tr> <tr><td>Mr. S. Sridhar</td><td>Nil</td></tr> <tr><td>Mr. Kranti Sinha</td><td>Nil</td></tr> <tr><td>Mr. Nirmal Jain</td><td>Nil</td></tr> <tr><td>Mr. R. Venkataraman</td><td>Nil</td></tr> <tr><td>Ms. Rajashree Nambiar</td><td>Nil</td></tr> <tr><td>KMPs other than Directors</td><td></td></tr> <tr><td>Chief Financial Officer</td><td>18%</td></tr> <tr><td>Company Secretary</td><td>14%</td></tr> </table> | Executive Chairman | Nil | Executive Director & CEO | 14% | Non Executive Director | | Mr. S. Sridhar | Nil | Mr. Kranti Sinha | Nil | Mr. Nirmal Jain | Nil | Mr. R. Venkataraman | Nil | Ms. Rajashree Nambiar | Nil | KMPs other than Directors | | Chief Financial Officer | 18% | Company Secretary | 14% |
| Executive Chairman | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Executive Director & CEO | 14% | | | | | | | | | | | | | | | | | | | | | | | |
| Non Executive Director | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. S. Sridhar | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Kranti Sinha | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Nirmal Jain | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. R. Venkataraman | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| Ms. Rajashree Nambiar | Nil | | | | | | | | | | | | | | | | | | | | | | | |
| KMPs other than Directors | | | | | | | | | | | | | | | | | | | | | | | | |
| Chief Financial Officer | 18% | | | | | | | | | | | | | | | | | | | | | | | |
| Company Secretary | 14% | | | | | | | | | | | | | | | | | | | | | | | |
| 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 10.77%. 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 1462 employees on the rolls as on March 31 2017. | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 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. | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes, It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company. | | | | | | | | | | | | | | | | | | | | | | |

ANNEXURE V

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

[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
CIN: U65993MH2006PLC166475
12A-10, 13th Floor, Parinee Crescenzo,
G Block, C-38 & 39, Bandra Kurla Complex,
Bandra (East), Mumbai, Maharashtra – 400 051

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 March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- | | |
|---|---|
| <ol style="list-style-type: none"> I. The Companies Act, 2013 ('the Act') and the rules made thereunder; II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; | <ol style="list-style-type: none"> 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"):- <ol style="list-style-type: none"> i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations; [Not applicable since the shares of the Company are not listed on any stock exchange during the period under review]; ii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable as the Company has not listed any share capital during the period under review]; iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review]; v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable as the Company has not delisted/proposes to delist its equity shares from any Stock Exchange during the financial year under review]; |
|---|---|

- viii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; [Not applicable as the Company has not bought back/proposes to buy-back any of its securities during the financial year under review].
- 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. Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014;
 4. Housing Finance Companies Corporate Governance (National Housing Bank) Directions, 2016;
 5. Housing Finance Companies Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016;
 6. Housing Finance Companies – Auditor’s Report (National Housing Bank) Directions, 2016;
 7. Fair Practices Code (FPC) for all HFCs;
 8. Guidelines on ‘Know Your Customer’ & ‘Anti Money Laundering measures’ for HFCs.

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.

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The 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.

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

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

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

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

We further report that 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 13 of the Act for the amendment of its Object clause and

- consequently altered its Memorandum of Association in the Extra-ordinary General Meeting held on August 11, 2016.
- (ii) In the Extra-ordinary General Meeting held on September 26, 2016, the existing Authorised Share Capital of the Company of ₹ 1,72,00,00,000 divided into 1,70,00,000 Equity Shares of ₹ 10/- each and 15,50,00,000 Preference Shares of ₹ 10/- was re-classified to ₹ 1,72,00,00,000 divided into 15,20,00,000 Equity Shares of ₹ 10/- each and 2,00,00,000 Preference Shares of ₹ 10/- each, in pursuance to Section 61 of the Act.
- (iii) The Company, in pursuance to Section 62(1)(a) of the Act, issued 30,00,000 Equity Shares on Rights basis at an issue price of ₹ 750/- including a premium of ₹ 740/- on September 30, 2016.
- (iv) The Company, in pursuance to Section 55 read with Section 48, passed a Special Resolution to approve the alteration in terms of issue of 10% Non convertible Redeemable Preference Shares in the Extra-ordinary General Meeting held on November 15, 2016.
- (v) The Company passed Special Resolution under Section 180(1)(a) and 180(1)(c) to increase the borrowing limits to ₹ 12000 crore in the Extra- ordinary General Meeting held on March 02, 2017.
- (vi) The Company passed Special Resolution for the issuance of non-convertible debentures on private placement basis, under Section 42, aggregating to ₹ 8000 crore during the Financial Year 2017-18 in the Extra-ordinary General Meeting held on March 02, 2017.
- (vii) The Company, in pursuance to Section 62(1)(a) of the Act, issued 20,00,000 Equity Shares on Rights basis at an issue price of ₹ 800/- including a premium of ₹ 790/- on March 30, 2017.

For RMG & Associates
Company Secretaries

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

Place : New Delhi
Date: May 3, 2017

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 3, 2017

ANNEXURE VI

Related Party Transaction Policy INDIA INFOLINE HOUSING FINANCE LIMITED

I. Objective

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

II. Guiding Act/Regulations/Rules

- a) The Companies Act, 2013 and rules made there under
- b) Accounting Standard - 18

III. Definitions

- (i) "Audit Committee" or "Committee" means Committee of the Board of Directors of the Company constituted under the provisions of the Companies Act, 2013.
- (ii) "Board" means the Board of Directors of the Company.
- (iii) "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (iv) "Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013
- (v) "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.
- (vi) "Policy" means the Policy on Related Party Transactions
- (vii) "Related Party" and 'Relative' has the same meaning as described in the Companies Act, 2013, which is defined as follows:

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

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;

- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any Body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

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

- (viii) any company which is—
 - (A) a holding, subsidiary or an associate company of such company; or
 - (B) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) such other person as may be prescribed;

As per Rule 3 of the Companies (Specification of definitions details) Rules, 2014, "related party" - For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

IV. Related Party Transactions (RPT)

As per Section 188 of Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the following transactions will be considered as "Related Party Transactions;

- a. sale, purchase or supply of any goods or materials;

- b. selling or otherwise disposing of, or buying, property of any kind;
 - c. leasing of property of any kind;
 - d. availing or rendering of any services;
 - e. appointment of any agent for purchase or sale of goods, materials, services or property;
 - f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - g. underwriting the subscription of any securities or derivatives thereof, of the Company;
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;
 - d. Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction.
 - e. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
 - f. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

V. Compliances/Approvals/Processes with Respect to Related Party Transactions

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

A. Approval of the Board/ Audit Committee

1. All proposed related party transactions / arrangements or any modifications thereof, with the details of related party, nature of transaction, reason for undertaking the transaction, confirmation on arms length & in the ordinary course of business, duration of the transaction will be placed before the Audit Committee for prior approval.
2. All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
 - a. The Audit Committee lays down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - b. while granting omnibus approval, the Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

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

B. Approval of Shareholders

The following transactions will be placed before the shareholders for its approval through Special Resolution;

- i. sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding ten percent of the annual turnover or ₹ 100 crore, whichever is lower.
- ii. selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents exceeding ten percent of net worth or ₹ 100 crore, whichever is lower.
- iii. leasing of property of any kind exceeding ten percent of the net worth or exceeding ten percent of turnover or ₹ 100 crore, whichever is lower.

- iv. availing or rendering of any services directly or through appointment of agents exceeding ten percent of annual turnover or ₹ 100 crore, whichever is lower.
- v. appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees.
- vi. remuneration for underwriting the subscription of any securities or derivatives thereof of the Company exceeding one percent of the net worth.

C. Review of RPTs by Audit Committee

Review of transactions with related parties pursuant to Accounting Standard – 18, on quarterly basis.

D. Disclosure

All Related Party Transactions will be disclosed in annual report, results and other filings, as may be applicable, made by the Company to the extent required as per the applicable provisions of the laws and regulations.

In terms of General Circular No. 30/2014 dated July 17, 2014 issued by MCA, all existing contracts approved pursuant to Section 297 of the Companies Act, 1956 will not require fresh approval under the said section 188 till the expiry of the original term of such contracts.

VI. Criteria/Documents/Process for all Transactions with Related Parties

- a) For all the transactions, due documentation by way of contract/ agreement/ bills/ invoices/ should be in place.
- b) All the related party transactions shall be subject to the applicability, limits, enablement and other conditions as prescribed under the applicable Acts, Rules, Regulations and circulars and guidelines of Regulatory authorities including RBI, SEBI, MCA, Income Tax, etc.
- c) In case of infrastructure and common sharing arrangement, the terms of arrangement including the nature and quality of services, consideration and other terms and conditions shall be as comparable with the terms if availed from the market/third parties.
- d) In case of purchase/ sale of fixed assets or other assets, the same shall be at market prices or per the valuer certificate.
- e) Related Party Transaction shall be approved after assessing all material terms and conditions of the transaction and ensure that the terms are comparable with the market rates/practices at the particular point of time and on arms length basis. The following information will be taken into account when assessing a Related Party Transaction:
 - a. The terms of such transaction;
 - b. The Related Person's interest in the transaction;
 - c. The purpose and timing of the transaction;
 - d. the nature of the Company's participation in the transaction;
 - e. If the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis;
 - f. Information concerning potential counterparties in the transaction;
 - g. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction and
 - h. Any other relevant information regarding the transaction.
- f) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting, should be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into. If the said ratification is not done such contract or arrangement shall be voidable at the option of the Board;

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

ANNEXURE VII

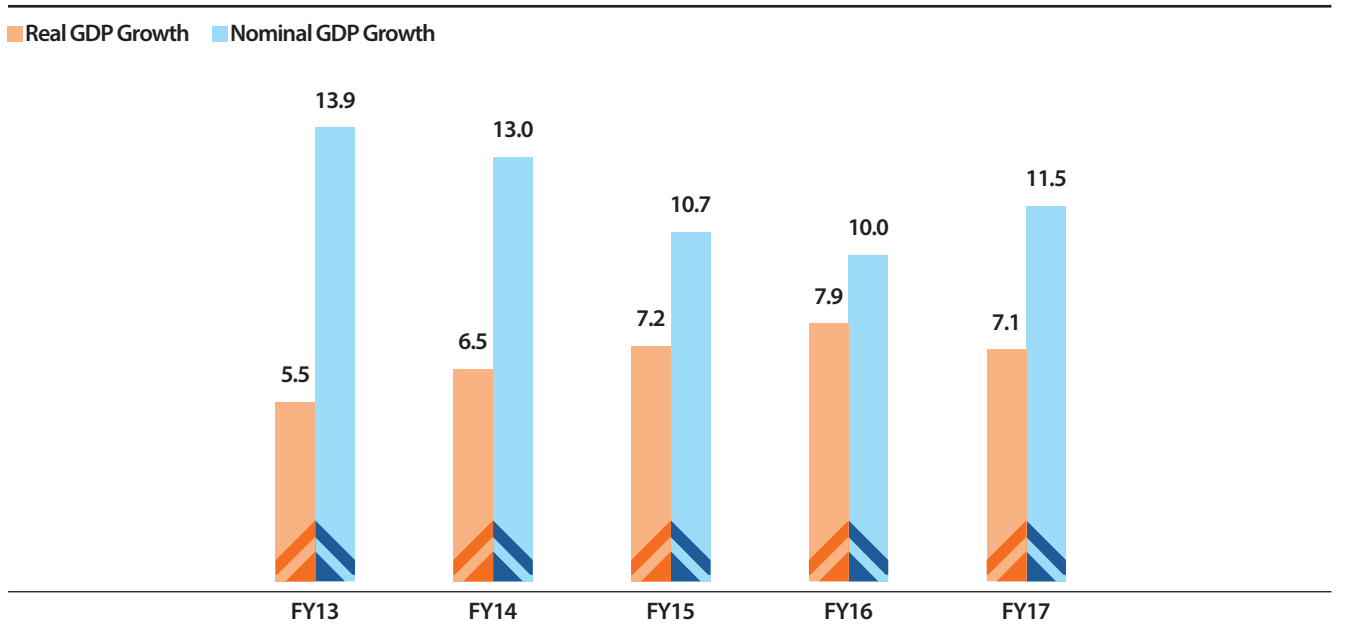
MANAGEMENT DISCUSSION & ANALYSIS

MACROECONOMIC OVERVIEW

India continues to be one of the fastest growing large economies in the world despite global slowdown. While global economy continued to grow at a slow pace, events such as Brexit further added to uncertainty on recovery post financial crisis. On the economic front, China's efforts in reviving growth and curbing shadow banking, US Federal Reserve's interest rate policy and stability in oil prices would be key drivers of the growth momentum in the near future.

On the domestic front, economic growth is expected to remain strong in FY18 with political stability, low inflation, strong consumption demand and administrative reforms. According to the Central Statistics Office (CSO) revised estimates, India's GDP growth remained steady at 7.1% in FY17 with the third quarter registering a growth rate of 7.0% y-o-y despite the effects of demonetisation. Certain economic indicators like vehicle sales, export traffic, unemployment etc. suggest that economy is steadily recovering from the impact of demonetisation and RBI forecasts suggest that GDP growth should accelerate to 7.4% in FY18.

FIGURE 1:
Growth in Real and Nominal GDP



Source: CSO

Moderation in inflation coupled with normal monsoon in the past year helped RBI continue on its path of expansionary monetary policy by reducing repo rate by 50 bps in FY17. Low commodity prices have helped push current account deficit to less than 1% of GDP. The Central government continued its focus on fiscal discipline with an aim to reduce fiscal deficit to 3.2% of GDP in FY18 from 3.5% in FY17. Also, dependency of agriculture on normal monsoon, stickiness of core inflation and implementation of 7th Pay Commission would be key factors for next year's monetary policy.

Against the backdrop of robust macroeconomic stability, two major domestic policy developments, the passage of the transformational Goods and Services Tax (GST) act, and the action to demonetise the notes of ₹ 500 and ₹ 1,000 denomination had a profound impact on economy. Demonetisation had a temporary impact on the economic

growth, especially in the informal and cash intensive sectors of the economy. However, demonetisation has the potential to generate long-term benefits of reduced corruption, greater digitalization of the economy, increased attraction of financial savings, and expansion of the formal sector, all of which could eventually lead to higher GDP growth and better tax compliance. The transformational GST bill, which envisages a common market, was passed during the year. GST in the long run would improve tax compliance and boost growth.

To maintain the momentum of growth, factors like normal monsoon, a rebound in exports and various reform measures taken by the government to strengthen the economy would be important. While there have been consistent government efforts to revive stalled projects in the public sector; private sector investments remain weak given low capacity utilization and leveraged balance sheets.

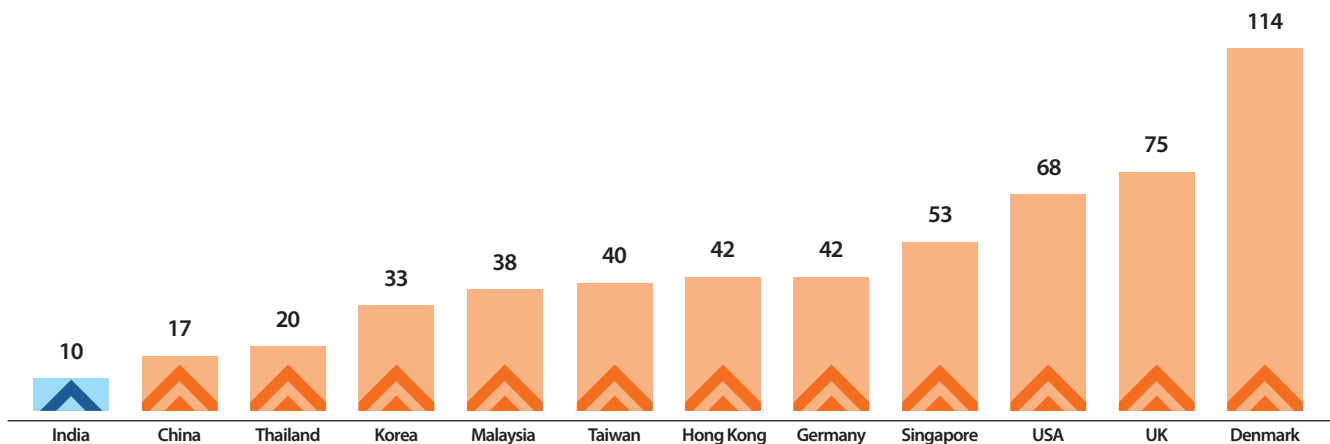
INDUSTRY OVERVIEW

India's housing finance sector has remained relatively underpenetrated compared to its peers as evident by the low mortgage-to-GDP ratio (10% in FY16) as compared to its regional peers (20% for Thailand, 17% for China, 38% for Malaysia). While there has been substantial progress over the years, the sector continues to hold potential for long-term growth. According to the Economic Survey 2016-17, migration to cities has doubled to an annual flow of nine million during 2011-16 as compared to six million during 2001-11. The increase in migration coupled with limited housing development has led to an urban housing deficit of almost 20 million, which is expected to increase further to 22 million in 2022.

FIGURE 2:

Mortgage Debt-to-GDP Ratio

(%)



Source: European Mortgage Federation, HOFINET, CRISIL Research, For India, data is for FY16, CY14 for others

The 'Housing for All' mission is a significant step in the right direction to address the housing shortage in India. Reducing regulatory bottlenecks, creating land pools for affordable housing and empowering the low-income groups would increase the mortgage market in India significantly. The shortage in the low income housing category is evident mainly in Economically Weaker Sections (EWS) and Lower Income Groups (LIGs). An interest subsidy of 4% on housing loans upto ₹ 0.9 million and 3% on housing loans upto ₹ 1.2 million announced by Prime Minister has given further impetus to the affordable housing sector. Coupled with government's thrust on affordable housing, changing rural-urban landscape and favorable demographics provide a unique opportunity for the housing segment in India.

The Indian housing finance loan market has grown rapidly over the years from ₹ 7.47 trillion in FY12 to ₹ 17.67 trillion in FY16 (Source: CRISIL), with housing finance companies (HFCs) driving the growth of 21% as compared to the industry's growth of 18%. The higher

growth is mainly driven by increasing penetration in non-metro cities, effective use of technology and superior operating models. While traditionally banks have been predominant players with 61% market share in FY16, the share of HFCs has increased steadily from 26% in FY09 to 39% in FY16. HFCs have been able to garner share because of their strong credit assessment processes, superior customer service and diverse sales channels.

HFCs have a well-diversified borrowing mix, comprising fixed deposits, bank borrowings, debentures, bonds and foreign currency borrowings. With an impetus to provide housing finance, the government and RBI have announced various initiatives such as raising the investment limit of debt mutual funds by 10% and setting up an Urban Housing Fund to support refinancing of affordable housing projects. The government is very focused on infrastructure development and good governance; these will bring a positive sentiment among the consumers.

OPPORTUNITIES

With several positive supply side initiatives underway through the Pradhan Mantri Awas Yojana, by building two crore houses for urban poor including LIG and EWS households, and the Real Estate (Regulation and Development) Act, 2016, to enhance transparency, the sector outlook remains positive. The increase of threshold limits for affordable housing and priority sector lending would further help in credit growth for HFCs.

Also, with the demonetization initiative, there is expected to be an increase in formal credit with expansion of the formal system. Various technological platforms are expected to boost the disbursal capability of various housing companies accompanied by reduction in cost and better customer service. Artificial intelligence, robotics, cloud infrastructure, social media and geo-localization software are some of the initiatives which are expected to define the operating model of housing companies in the future. With the rapid rise in such technologies, traditional models like hub-and-spoke models may be replaced by a customized, technology-enabled and centralized operating model.

As per CRISIL Research, HFCs are expected to grow 19%-20% over the next two years supported by economic growth drivers such as rising disposable income, tax benefits, increasing urbanization and focus on non-metro cities.

THREATS

Demonetization has led to surplus liquidity in the banking system, resulting in lowering of interest costs. While it has led to reduction in borrowing costs for HFCs, various public and private sector banks have been able to attract customers by offering lower interest rate thereby intensifying competition. Various mid-sized HFCs would have limitation in reducing their interest rates, resulting in lower credit growth.

HFCs have significant presence in various segments like loans against property and developer loans. While the asset quality has remained stable in the past, there may be rising concerns mainly because of expected correction in property prices (due to demonetization and benami property crackdown by the government).

COMPANY OVERVIEW

India Infoline Housing Finance Ltd. (IIHFL), is a 100% subsidiary of India Infoline Finance Limited (IIFL). IIHFL was incorporated and registered with National Housing Bank (NHB) in 2009 and subsequently commenced operations. In line with its motto, 'Ghar Aapka, Loan Hamaara', the Company provides home loans to customers for purchasing affordable homes. Besides, loans are also

offered for home renovation and home construction. Loan against Property (LAP) is provided to Small and Medium Enterprises (SMEs) for their working capital requirements, business use and to acquire commercial property and construction financing.

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 of loan 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.

FINANCIAL PERFORMANCE

The Company has continued to grow at a fast pace during the year with increased focus on affordable housing segment. Despite demonetization, the Company saw a surge in loan book volume with 55% y-o-y increase to ₹ 81,924 million on March 31, 2017. At the end of the financial year ending March 31, 2017, AUM has grown by 76% y-o-y to ₹ 97,693 million from ₹ 55,399 million on March 31, 2016. The growth is driven significantly by home loan segment, which presently constitutes 54% of the total AUM.

FIGURE 3:
Loan AUM (₹ billion)

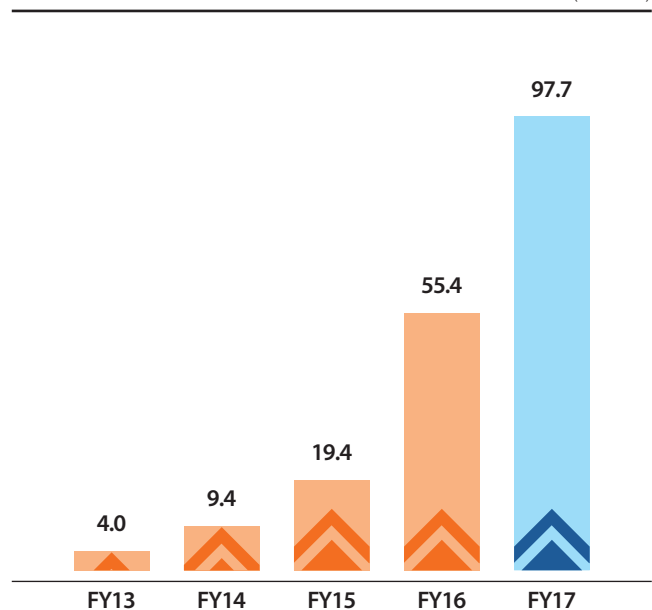
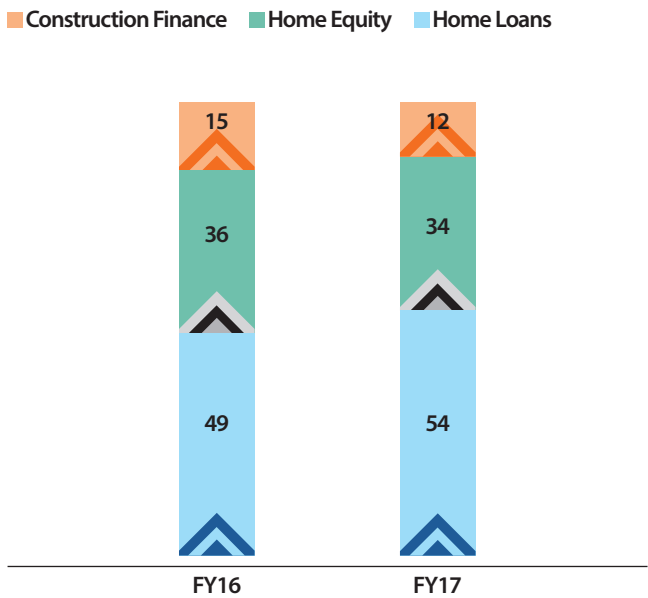


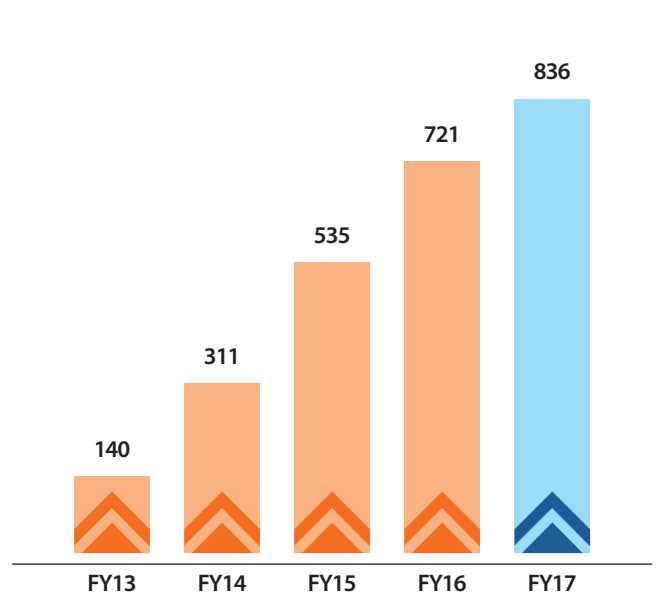
FIGURE 4:
AUM Breakup as on March 31, 2017 (%)



The Company has continued to target salaried and self-employed professionals, earning ₹ 30,000 – ₹ 40,000 per month, engaged in small businesses and who are below the age of 40 years. With a strength of 1,499 employees, 59 branches and a widespread IIFL Group network of over 2,250 branches, IIHFL will be able to further deepen its reach with potential customers in existing and new geographies, primarily in Tier-II and Tier-III markets across the country.

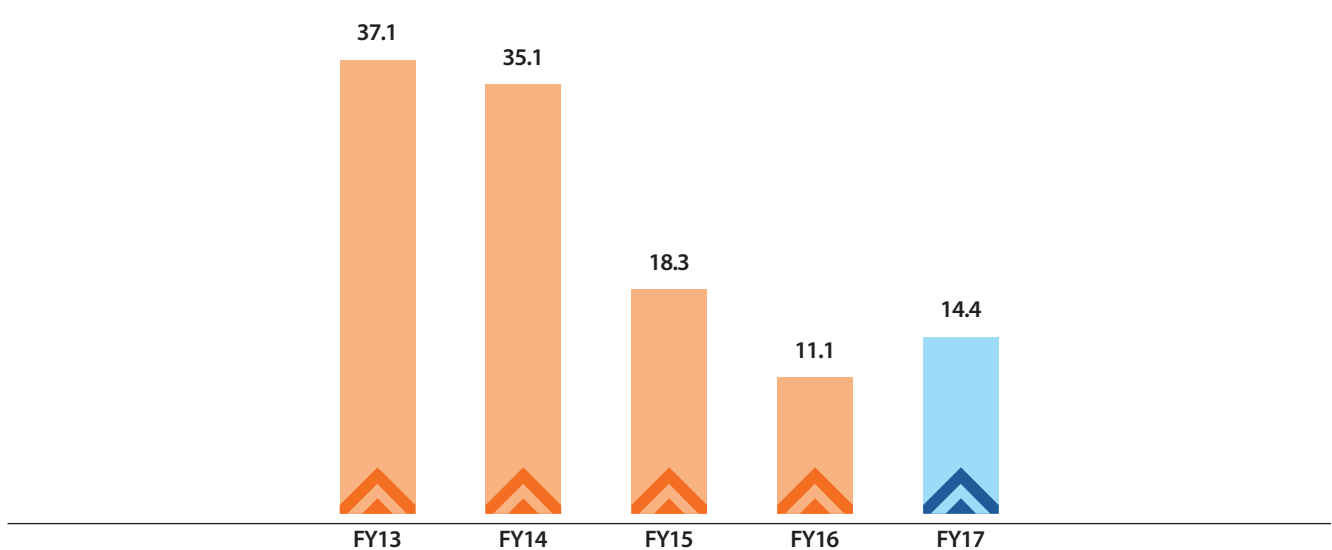
For FY17, IIHFL reported a Profit after Tax (PAT) of ₹ 836 million up by 16% y-o-y.

FIGURE 5:
Profit After Tax (₹ million)



With a capital adequacy of 17.6% (Tier-I CAR of 14.4%), the Company is well capitalized for growth. The Company has striven to maintain the key qualitative and quantitative parameters.

FIGURE 6:
Tier-I CAR (%)



During the year, rating agency CRISIL upgraded the credit rating from AA- to AA with a stable outlook. Other rating agencies, ICRA and CARE, already rate us as AA.

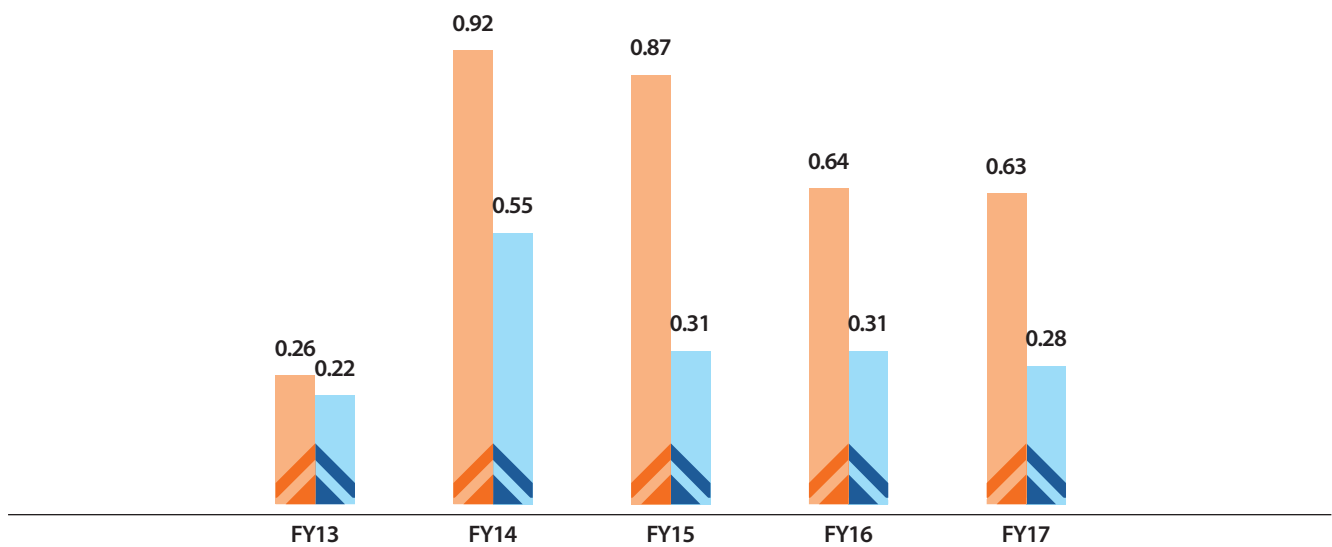
The Company continued to maintain decent return ratios, RoA of 1.2% and RoE of 12.4%. Gross and Net NPA (Non-performing asset) were 0.63% and 0.28% respectively, for the year under review. Provision coverage (including standard assets provision) was at 129% as on March 31, 2017; Loan losses and provisions as a percentage of average loan book were at 0.50%.

FIGURE 7:

Asset Quality (GNPA & NNPA)

(%)

■ GNPA ■ NNPA



Strong macros like low mortgage-to-GDP penetration, large existing and growing demand for housing and government’s incentives for the sector, mean that the housing sector will sustain the robust growth demonstrated over the last few years.

SEGMENT OVERVIEW

Home Loans

The Company provides tailored home loan products for multiple classes of customers namely salaried, self employed, professionals and entrepreneurs. The Company aims to work with government and contribute towards its goal of attaining “Housing for All”. The Company’s home loan AUM grew by 98% in FY17 with an ATS of ₹ 2.6 million. Your Company has relaunched its Swaraj product at pan-India level to cater to the need of weaker sections.

IIFHL is one of the pioneers in the credit linked subsidy scheme releasing around 11% of the total subsidy given by the government. We have received first time refinancing of ₹ 1,600 million from NHB for the first time, which reinforces our market credibility and impacts our rating in a positive way. This also reinstates confidence of other lenders in us. The Company is also looking forward to build associations with various state housing boards enabling it to finance customer under the various schemes launched.

Home Equity

The Company offers a range of loans backed by mortgage of residential or commercial properties to small & medium enterprises for working capital requirements, business use, purchase of commercial property and other similar purposes. The LTV (Loan to Value) ratio of home equity loans is 48% and the Company’s emphasis is to on-board significant portion under Priority Sector Lending assets (PSL). The home equity AUM has grown by 63% y-o-y to ₹ 32.7 billion in FY17.

Construction Finance

In line with the broader retail strategy, the Company also offers loans to developers for construction and development of residential and mixed-use projects. The Construction Finance vertical provides support to the growth of retail loans under the approved project route; wherein projects financed by the Company are tied up with the developers for funding the buyers under retail home loan.

Outlook

With the implementation of a single tax (GST), consumers will not be subjected to the pain of multiple taxation. Post demonetization, there were some ups and downs in the consumer market. However, there is a potential for long-term benefits. The year ahead is full of opportunities with GST implementation, tax & stamp duty reduction and 'infrastructure status' to name a few. The Company expects the growth to sustain by focusing on affordable housing via products such as Swaraj Home Loans and Samman Loan Against Property, investments in technological infrastructure and prudent risk management.

Risks and Concerns

As a lending Company, IIHFL is exposed to various risks associated with its business such as credit risk, market risk and operational risk. The Board of Directors has oversight on all the risks assumed by the Company. To ensure effective management of the various risks at all levels in the organization, the Board has devised a well defined Risk Management Policy which provides the guiding principles and procedures to be followed in risk management and constituted a Risk Management Committee comprising the Key Management Officers of the Company to supervise implementation of risk strategy. The Risk Management Committee advises on development of policies, procedures and systems for managing various risks.

Credit Risk:

Credit Risk is defined as the possibility of losses closely associated with diminution in the credit quality of borrowers and arises out of default due to inability or unwillingness of a customer to meet his commitments. This may arise due to laxity in underwriting norms defined by policy and/or its compliance by the underwriting staff. The Company follows the principles of 'Credit is the first line of defence' in a lending business. The underwriting team follows the underwriting norms in letter and spirit and any exception thereof is remediated by the pre-defined authority matrix. As the retail exposure comprises substantial part of our product mix, retail credit risk is monitored largely on portfolio basis, across various products and customer segment. For big ticket size (especially wholesale exposure), credit risk is managed through appropriate credit approval processes, ongoing post-disbursement monitoring, onsite verification of the mortgaged property and remedial management procedures.

Market Risk:

Market Risk is defined as possibility of loss caused by changes in market variable which primarily includes liquidity risk and interest-rate risk. Inability to mobilize low-cost funds in a timely manner and lack of adequate pricing of products may impact profitability. Lending business is also impacted by unforeseen changes in policy decision by the government and the regulatory authorities. In

order to manage and control the liquidity risk, a dedicated Treasury team constantly engages in diversified borrowing through various sources such as working capital loan, term loans, non-convertible debentures, refinance assistance from National Housing Bank and Commercial Papers etc.

Operational Risk:

It is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems. Hence, it includes human resource risk, information and technology risk, fraud risk, legal risk etc. To mitigate this risk the Company periodically reviews the processes and controls and also updates its systems to meet the business requirements. In addition to this, employees are provided with continuous trainings and there is effective segregation of duties to reduce risk of fraud.

Internal control systems and their adequacy

IIHFL has put in place a robust Internal Control System commensurate with the size, business model and complexity of its operations. These internal control systems are formulated as a part of the principles of good corporate governance and are accordingly implemented within the framework of proper checks and balances.

IIHFL ensures that effective internal control framework operates throughout the organization, which provides high degree of assurance regarding reliability of financial and operational information, compliance with regulatory directives, safeguarding the assets, execution of the transactions as per the authorization matrix and adherence to the guidelines.

An independent Internal audit team monitors, evaluates and performs acid test of the adequacy and efficacy of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and statutory requirements. All significant audit observations and follow-up actions thereon are reported to the Audit Committee on quarterly basis.

Effective Business Model

An effective business model not only keeps the Company running but also plays an instrumental role in financial inclusion and nation building.

To maintain an effective business model, the Company kept its focus on customer satisfaction while maintaining good collateral. The well-coordinated linkage between credit, operations, risk, sales, collection and internal audit teams maintained the smooth operation of the entire business unit and scaled up the efficiency.

The sales network includes direct selling teams who work under supervision of your Company's sales supervisors and receive a

combination of fixed fee and variable commission based on the disbursement of loans sourced by them. Majority of the loans are sourced through the direct selling teams and other in-house channels, creating minimal dependency on external sources. DSAs and other business referral partners make up for the remaining field force for mobilizing business.

Sourcing of leads through digital media, visitors to the Company's website, and call center contacts are increasingly helping us reach potential home buyers.

Technology – an integral part of the business cycle

With the power of the internet, we are moving towards a transparent world in a speedy manner. Sophisticated technology and enhanced security mechanism have instilled confidence in the buyers to go for a paperless mortgage process. Comprehending this and in tune with the valued patrons' demands, the Company has launched 'Jhatpat Tablet' which is an end to end on-boarding solution for the customer. This tablet based intelligent digitization leader has reduced the time for a soft sanction from days to just an hour. CIBIL reports and other information are fetched at the backend and decision-making is made on the basis of this within one hour.

Going an extra mile, the Company has enhanced its customer app namely, 'IIFL Loans' for providing post-sales services for existing customers. This empowers the customer to handle queries on their own. A customer can download the interest certificate from the app hassle free, but post authentication of credentials and establishing security of the customer data.

This inclination towards technology will improve the operational efficiency and reduce the manpower cost by a significant margin, ensuring maximum reach. The culture of an organization impacts the business growth and we are moving towards technology driven culture. To gain better margins, new avenues will be explored that could be automated using technology.

Credit & Operational Management

The Company has built its expertise in credit, legal and technical appraisal processes. There is an in-house team of diligent legal and technical resources to ensure robust credit mechanism. A risk management framework has been developed to identify, assess and evaluate the credit risk profiles. The credit underwriters identify the loans and work on the same to avoid any undue risk at the later stage.

Along with that, an in-house team of the Company conducts verification checks on books, minute books and different papers to ensure correct facts and figures in the secretarial records. While maintaining quality standards, the team members adhere to ethical policies and guidelines.

Robust Recovery Procedure with an early intimation system and SARFAESI Act

Leveraging past experiences, we have formulated an internal early-intimation system and a manual for data analysis. This helps in minimizing payment defaults and recovery actions are quicker than it was earlier.

The government has amended the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act and the Debt Recovery Tribunal (DRT) Act to make debt recovery more effective. We have implemented this SARFAESI to bolster our recovery methods. As on March 31, 2017, the Company's net NPA stood at ₹ 225 million.

Human Resources

Our HR system and processes are future ready and go hand-in-hand with the demands of the business and environment. We have got a scalable talent acquisition system which seamlessly interacts with business and stakeholders to hire and onboard talent. Training and development, central to our people development theme has the right mix of classroom, online and MDP trainings & certification courses. These training modules cater to the soft and functional skill requirements and aim at building leaders for future.

Our employee pulse survey listens to employees about their views, suggestions and feelings. This feedback was worked upon to introduce new processes and changes. The Company has built a strong culture of meritocracy, openness and innovation where ideation and cross-functional collaboration are encouraged. A lot of emphasis is laid on accountability and openness to feedback to ensure the sustenance of entrepreneurial culture in the Company.

Open channels of communications have been introduced this year through Workplace (by Facebook) and regular virtual town-halls. Periodic rewards and recognition platforms are used to recognize our employees who have exemplified our values and those who have made the business impact through their hard-work and dedication. Employees' wellness interventions like eye-camps, regular health check-ups and yoga sessions have been held to inculcate wholesome wellness of the employees.



DREAMS OR RESPONSIBILITIES, ANSWER LIES IN YOUR PROPERTY!

IIFL LOAN AGAINST PROPERTY



Missed Call: 08067264687

* Terms & Conditions apply

India Infoline Housing Finance Limited, CIN: U65993MH2006PLC166475

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Tel: (91-22) 6788 1000 • Fax: (91-22) 6788 1010 • E-mail: reach@iifl.com • Web: www.iifl.com/home-loans

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 comprises the Balance Sheet as at 31st March, 2017, 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 31st March, 2017, 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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; and
- iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note no. 32 to the standalone financial statements.

For Sharp and Tannan Associates

Chartered Accountants

Firm's Registration No.:109983W

By the hand of

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place: Mumbai

Date: May 3, 2017

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 31st March 2017. 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 program 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 two companies 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 companies 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 companies 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, sales tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues as applicable to the Company, except income tax amounting to Rs.1.46 Millions for A.Y. 2013-2014 which has remained outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit with the appropriate authorities of disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
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 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

Tirtharaj Khot

Partner

Membership No.: (F) 037457

Place: Mumbai
Date: May 3, 2017

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 31st March, 2017 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 31st March, 2017, 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

Tirtharaj Khot

Partner
Membership No.: (F) 037457

Place: Mumbai
Date: May 3, 2017

STANDALONE BALANCE SHEET

As at March 31, 2017

(₹ in Millions)

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 |
|---|----------|----------------------|----------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 199.68 | 349.68 |
| (b) Reserve and Surplus | 4 | 9,335.32 | 4,829.65 |
| Sub Total | | 9,535.00 | 5,179.33 |
| (2) Share application money pending allotment | | - | - |
| (3) Non Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 48,157.84 | 32,655.44 |
| (b) Deferred Tax liabilities (Net) | | - | - |
| (c) Other Long-Term liabilities | | - | - |
| (d) Long-Term provisions | 6 | 680.06 | 417.57 |
| Sub Total | | 48,837.90 | 33,073.01 |
| (4) Current liabilities | | | |
| (a) Short-Term Borrowings | 7 | 8,917.24 | 8,053.23 |
| (b) Other current liabilities | 8 | | |
| Current maturities of long term borrowings | | 7,637.69 | 2,779.97 |
| Others | | 9,682.31 | 5,263.83 |
| (c) Short-Term provisions | 6 | 300.26 | 185.48 |
| Sub Total | | 26,537.50 | 16,282.51 |
| Total | | 84,910.40 | 54,534.85 |
| II ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 9 | | |
| (i) Tangible assets | | 14.16 | 12.23 |
| (ii) Intangible assets | | 3.15 | 2.21 |
| (iii) Capital work-in-progress | | 2.67 | 4.13 |
| (iv) Intangible assets under development | | - | - |
| Sub Total | | 19.98 | 18.57 |
| (b) Non-current investments | | - | - |
| (c) Deferred Tax Assets (Net) | 10 | 38.20 | 39.29 |
| (d) Long-Term loans & advances | 11 | | |
| Loans | | 67,298.14 | 43,657.53 |
| Others | | 54.55 | 178.84 |
| (e) Other non-current assets | 12 | 52.85 | 45.13 |
| Sub Total | | 67,443.74 | 43,920.79 |
| (2) Current assets | | | |
| (a) Current Investments | 13 | 0.19 | - |
| (b) Inventories | | - | - |
| (c) Trade receivables | | - | - |
| (d) Cash and bank balances | 14 | 1,862.39 | 647.51 |
| (e) Short-Term loans & advances | 11 | | |
| Loans | | 14,581.16 | 9,152.36 |
| Others | | 903.37 | 713.40 |
| (f) Other current assets | 12 | 99.57 | 82.22 |
| Sub Total | | 17,446.68 | 10,595.49 |
| Total | | 84,910.40 | 54,534.85 |
| 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

Tirtharaj Khot

Partner

Membership No (F) 037457

Place : Mumbai

Dated: May 3, 2017

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, 2017

(₹ in Millions)

| Particulars | Note No. | 2016-17 | 2015-16 |
|---|----------|-----------------|-----------------|
| REVENUE | | | |
| Revenue from operations | 15 | 8,302.02 | 5,108.80 |
| Other Income | 16 | 747.74 | 413.79 |
| Total Revenue | | 9,049.76 | 5,522.59 |
| EXPENSES | | | |
| Employee benefits expense | 17 | 1,105.95 | 670.62 |
| Finance cost | 18 | 5,852.54 | 3,284.51 |
| Depreciation and amortisation expense | 9 | 6.64 | 2.77 |
| Other expenses | 19 | 468.87 | 249.52 |
| Provisions & Write off | 20 | 344.55 | 206.33 |
| Total expenses | | 7,778.55 | 4,413.75 |
| Profit / (Loss) before tax | | 1,271.21 | 1,108.84 |
| Tax expenses : | | | |
| Current tax expense for current year | | 449.50 | 405.00 |
| Deferred tax | | (13.73) | (14.82) |
| Current tax expense relating to prior years | | (0.14) | (1.93) |
| Total Tax expense | | 435.63 | 388.25 |
| Profit / (Loss) for the year | | 835.58 | 720.59 |
| Earnings per equity share | | | |
| (1) Basic | 21 | 49.78 | 52.58 |
| (2) Diluted | | 49.78 | 51.17 |
| 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

Tirtharaj Khot

Partner
Membership No (F) 037457

Place : Mumbai
Dated: May 3, 2017

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, 2017

(₹ in Millions)

| Particulars | 2016-2017 | 2015-2016 |
|---|--------------------|--------------------|
| (A) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxation and Extraordinary item | 1,271.21 | 1,108.84 |
| Adjustments for: | | |
| Depreciation Expenses | 6.64 | 2.77 |
| Provision for Doubtful Loans | 158.60 | 64.66 |
| Provision for Standard Loans | 140.50 | 140.48 |
| Gratuity | 7.25 | 3.69 |
| Leave Encashment | 6.73 | 5.80 |
| Operating Profit before Working Capital changes | 1,590.93 | 1,326.24 |
| Increase / (Decrease) in Short Term Provisions | (9.84) | (1.47) |
| Increase / (Decrease) in Other Liabilities | 9,468.45 | 5,648.34 |
| Decrease / (Increase) in Other Current Assets | (809.74) | 29.95 |
| Decrease / (Increase) in Other Non Current Assets | (7.72) | 19.45 |
| Cash Generated from Operations | 10,232.08 | 7,022.51 |
| Tax (Paid) / Refund | (412.67) | (454.99) |
| Net Cash from Operating Activities | 9,819.41 | 6,567.52 |
| Decrease/ (Increase) in Long Term Loans & Advances | (23,648.19) | (28,343.18) |
| Decrease/ (Increase) in Short Term Loans & Advances | (5,618.77) | (5,077.75) |
| Net Cash Used in Operating Activities | (19,447.55) | (26,853.41) |
| (B) CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including Intangible Assets, Capital Work-in-Progress and Capital Advances | (8.05) | (17.31) |
| Purchase of Non Current Investments | - | 1.57 |
| Proceeds from Sale/Maturity of Current Investments | - | - |
| Purchase of Non Convertible Debentures -Others | (0.19) | - |
| Net Cash from Investing Activities | (8.24) | (15.74) |
| (C) CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend & Dividend Distribution Tax paid | (39.17) | (213.20) |
| Proceeds from Issuance of Share Capital | 3,550.00 | 1,000.00 |
| Share Issue Expenses | - | (1.00) |
| Proceeds from Long Term Borrowings (Net) | 15,502.40 | 20,658.80 |
| Proceeds from Short Term Borrowings (Net) | 864.00 | 5,317.16 |
| Net Cash from Financing Activities | 19,877.23 | 26,761.76 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 421.44 | (107.39) |
| Opening Cash and Cash Equivalents | 506.91 | 614.30 |
| Closing Cash and Cash Equivalents | 928.35 | 506.91 |

As per our attached report of even date

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No. 109983W

By the hand of

Tirtharaj Khot

Partner

Membership No (F) 037457

Place : Mumbai

Dated: May 3, 2017

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 Statement for the year ended March 31, 2017

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 realized /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.

Standalone Financial Statements (contd.)

2.6 Securitization / Assignment of loan portfolio:

Derecognition of loans securitised / assigned in the books of the Company is based on the concept of surrender of control over the loans resulting in a "true sale" of loans. Future interest spread receivables in case of a par structure deals are recognized over the tenure of agreements. Expenditure in respect of securitization /direct assignment is recognized 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 recognized on the time proportionate basis as per agreed terms.
- Interest income on non-performing assets is recognized on cash basis.
- Income from Penal charge, Penal interest and Cheque Bouncing Charges pertaining to loan assets are recognized on receipt basis.
- Dividend income is recognized 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 recognized 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 recognized 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 6, 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 recognized or unrecognized to the extent that it has 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 recognized 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 recognized 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 recognized at Face value at the time of its issue. Any difference between the proceeds and the redemption value is recognized in profit & loss account over the period of the borrowings.

2.17 Debenture Issue Expense:

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

NOTE 3. SHARE CAPITAL

| | (₹ in Millions) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Authorised Capital | | |
| Authorised Share Capital: | | |
| 152,000,000 Equity Shares of ₹ 10/- each with voting rights (P.Y. 17,000,000) | 1,520.00 | 170.00 |
| 20,000,000 Preference Shares of ₹ 10/- each (P.Y. 155,000,000) | 200.00 | 1,550.00 |
| Total* | 1,720.00 | 1,720.00 |
| Issued, Subscribed and Paid-up Share Capital | | |
| Equity Share Capital | | |
| 19,968,181 Equity Shares of ₹ 10/- each fully paid-up (P.Y. 14,968,181) | 199.68 | 149.68 |
| Preference Share Capital | | |
| 10% Redeemable Preference Shares of ₹ 10/- each fully paid-up (P.Y. 20,000,000) | - | 200.00 |
| Total | 199.68 | 349.68 |

*During the year Company has reclassified its Authorised Share Capital from 172,000,000 shares divided into 17,000,000 Equity Shares of ₹ 10/- each and 155,000,000 Preference shares of ₹ 10/- each to 172,000,000 shares divided into 152,000,000 Equity Shares of ₹ 10/-each and 20,000,000 Preference Shares of ₹ 10/- each.

Standalone Financial Statements (contd.)

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

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No of Shares | (₹ in Millions) | No of Shares | (₹ in Millions) |
| Equity Shares | | | | |
| As at the beginning of the year | 14,968,181 | 149.68 | 10,900,000 | 109.00 |
| Issued during the year | 5,000,000 | 50.00 | 4,068,181 | 40.68 |
| Outstanding at end of the year | 19,968,181 | 199.68 | 14,968,181 | 149.68 |
| 10% Redeemable Preference Shares | | | | |
| At the beginning of the year | 20,000,000 | 200.00 | 20,000,000 | 200.00 |
| Add: Issued during the year | - | - | - | - |
| Less : Redeemed during the year | 20,000,000 | 200.00 | - | - |
| Outstanding at the end of the year | - | - | 20,000,000 | 200.00 |
| 6% Compulsorily Convertible Cumulative Redeemable Preference shares | | | | |
| At the beginning of the year | - | - | 135,000,000 | 1,350.00 |
| Add: Issued during the year | - | - | - | - |
| Less : Converted to Equity Shares | - | - | 135,000,000 | 1,350.00 |
| Outstanding at the end of the year | - | - | - | - |

- a) During the year, the Company has issued 3,000,000 Equity shares of face value of ₹10 each at a premium of ₹740/- per share on September 30, 2016 and 2,000,000 Equity shares of face value of ₹ 10 each at a premium of ₹ 790/- per share on March 30, 2017.
- b) During the year the Company has redeemed 20,000,000 10% Redeemable Preference shares of ₹ 10 each at a premium of ₹ 5 per share on November 15, 2016.

ii) Rights attached to Equity Shares

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

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

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | |
|--|----------------------|-----------|----------------------|-----------|
| | No of Shares | % holding | No of Shares | % holding |
| Equity Shares of ₹ 10/- each fully paid up | | | | |
| India Infoline Finance Limited | 19,968,181 | 100.00% | 14,968,181 | 100.00% |
| 10% Redeemable Preference Shares of ₹ 10/- each fully paid up | | | | |
| India Infoline Finance Limited | - | - | 20,000,000 | 100.00% |
| Total | 19,968,181 | | 34,968,181 | |

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

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | |
|--|----------------------|-----------|----------------------|-----------|
| | No of Shares | % holding | No of Shares | % holding |
| Equity Shares of ₹ 10/- each fully paid up | | | | |
| India Infoline Finance Limited | 19,968,181 | 100.00% | 14,968,181 | 100.00% |
| 10% Redeemable Preference Shares of ₹ 10/- each fully paid up | | | | |
| India Infoline Finance Limited | - | - | 20,000,000 | 100.00% |

NOTE 4. RESERVES AND SURPLUS

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Securities Premium Account | | |
| Opening Balance as per last financial statement | 3,302.56 | 994.25 |
| Addition during the year (Refer Note 3) | 3,800.00 | 2,309.31 |
| Deduction during the year | 100.00 | 1.00 |
| Closing Balance | 7,002.56 | 3,302.56 |
| Debenture Redemption Reserve (Refer Note 4.1) | | |
| Opening Balance as per last financial statement | 613.00 | 340.00 |
| Addition during the year from statement of profit & loss | 273.30 | 273.00 |
| Appropriation during the year | - | - |
| Closing Balance | 886.30 | 613.00 |
| Special Reserve (Refer Note 4.2) | | |
| Opening Balance as per last financial statement | 373.70 | 223.20 |
| Addition during the year from statement of profit & loss | 194.00 | 150.50 |
| Appropriation during the year | - | - |
| Closing Balance | 567.70 | 373.70 |
| Surplus in the Statement of Profit & Loss | | |
| Opening Balance as per last financial statement | 540.39 | 364.02 |
| Addition during the year from statement of profit & loss | 835.58 | 720.59 |
| Appropriations during the year | | |
| Transfer to Special Reserve | 194.00 | 150.50 |
| Transfer to Debenture Redemption Reserve | 273.30 | 273.00 |
| Preference Dividend (Refer Note 4.3) | 12.55 | 96.13 |
| Dividend Distribution Tax | 2.55 | 19.57 |
| Deferred Tax Liability (Refer Note 4.4) | 14.81 | 5.02 |
| Closing Balance | 878.76 | 540.39 |
| Total | 9,335.32 | 4,829.65 |

4.1 Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company being a Housing Finance Company is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures outstanding, which were offered through public issue. Accordingly, ₹ 273.30 Millions (P.Y. ₹ 273.00 Millions) has been transferred to Debenture Redemption Reserve Account for the financial year ended March 31, 2017.

4.2 SPECIAL RESERVE**Disclosure as per NHB Guidelines**

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year | | |
| a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987 | 320.29 | 170.10 |
| b) Statutory Reserve U/s 29C of the National Housing Bank Act, 1987 | 53.41 | 53.10 |
| Total | 373.70 | 223.20 |
| Addition/Appropriation/Withdrawal during the year | | |
| Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987 | 193.53 | 150.19 |
| b) Amount transferred U/s 29C of the NHB Act, 1987 | 0.47 | 0.31 |
| 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 | - | - |

Standalone Financial Statements (contd.)

(₹ in Millions)

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2017 | March 31, 2016 |
| Balance at the end of the year | 567.70 | 373.70 |
| a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987 | 513.82 | 320.29 |
| b) Statutory Reserve U/s 29C of the National Housing Bank Act, 1987 | 53.88 | 53.41 |
| Total | 567.70 | 373.70 |

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 ₹ 193.53 Millions (P.Y. ₹ 150.19 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 ₹ 194.00 Millions (P.Y. ₹ 150.50 Millions) under section 29C(i) of the National Housing Bank Act, 1987.

4.3 PREFERENCE DIVIDEND

Preference Dividend Proposed/paid for the Financial Year 2016-17 is as follows:

(₹ in Millions)

| Particulars | March 31, 2017 | March 31, 2016 |
|--|---|----------------|
| | On 6% Compulsory Convertible Cumulative Redeemable Preference Shares of ₹ 10/- Each | - |
| No of Shares | - | 135,000,000 |
| Dividend (A) | - | 76.13 |
| On 10% Redeemable Preference Shares of ₹ 10/- Each | ₹ 0.63 Per share | ₹ 1 Per share |
| No of Shares | 20,000,000 | 20,000,000 |
| Dividend (B)* | 12.55 | 20.00 |
| Total Dividend Proposed/Paid (A) + (B) | 12.55 | 96.13 |

*Note - The company declared and paid a dividend on 10% Redeemable Preference Shares of ₹ 10 each upto the date of redemption of Preference shares.

4.4 As per circular NHB(ND)/DRS/Policy Circular 65/2014-15 August 22, 2014 issued by NHB, the Company has adjusted ₹ 14.81 Millions (P.Y. ₹ 5.02 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, being the final 50% of total deferred tax liability to be created.

NOTE 5. LONG TERM BORROWINGS

(₹ in Millions)

| Particulars | Non-Current | | Current Maturities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Debentures | | | | |
| Secured : | | | | |
| Non Convertible Debentures (Refer Note 5.1) | 23,084.59 | 11,510.63 | 3,858.00 | 1,580.00 |
| Amount disclosed under the head "Other current liabilities" (Refer Note-8) | - | - | (3,858.00) | (1,580.00) |
| Unsecured | | | | |
| Non Convertible Debentures (Refer Note - 5.2) | 2,620.00 | 2,470.00 | - | - |
| Sub Total | 25,704.59 | 13,980.63 | - | - |
| Term Loans | | | | |
| Secured : | | | | |
| Term Loan from Banks (Refer Note 5.3) | 21,029.13 | 18,674.81 | 3,617.22 | 1,199.97 |
| Term Loan from NHB | 1,424.12 | - | 162.47 | - |
| Amount disclosed under the head "Other current liabilities" (Refer Note- 8) | - | - | (3,779.69) | (1,199.97) |
| Sub Total | 22,453.25 | 18,674.81 | - | - |
| Total | 48,157.84 | 32,655.44 | - | - |

During the year, the Company has raised secured term loans aggregating ₹ 12,500.00 Millions (P.Y. ₹ 18,650.00 Millions) from various Banks. Further the company has availed Refinance facility from NHB amounting to ₹ 1,600.00 Millions (P.Y. Nil).

Bank borrowing also include Foreign Currency Term Loan aggregating to ₹ 900.00 Millions (P.Y. ₹ 900.00 Millions) wherein the principal amount is fully hedged.

The Company has also raised ₹ 15,473.00 Millions (P.Y. ₹ 8,443.00 Millions) and ₹ 150.00 Millions (P.Y. ₹ 470.00 Millions) by issue of secured and unsecured non convertible debentures respectively.

The above term loans, including refinance facility from NHB, are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged. Out of the total loans from banks, loans amounting to ₹ 19,709.39 Millions (P.Y. ₹ 19,374.78 Millions) and refinance facility from NHB amounting to ₹ 1,586.59 Millions (P.Y. Nil) are also guaranteed by IIFL Holdings Limited, being the Ultimate Holding Company.

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

5.1: NON CONVERTIBLE DEBENTURES - SECURED

(₹ in Millions)

| Particulars | Non-Current | | Current Maturities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| 8.90% Secured Redeemable Non Convertible debenture of Face Value ₹ 1,000,000 Each Redeemable on 3-Nov-2021 at par | 50.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series B3 Option I of Face Value ₹ 1,000,000 Each Redeemable on 12-May-2020 at premium | 640.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series B4 of Face Value ₹ 1,000,000 Each Redeemable on 12-May-2020 at premium | 180.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A13 of Face Value ₹ 1,000,000 Each Redeemable on 20-April-2020 at premium | 2,500.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series B3 Option II of Face Value ₹ 1,000,000 Each Redeemable on 7-April-2020 at premium | 110.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series B3 Option III of Face Value ₹ 1,000,000 Each Redeemable on 12-Nov-2019 at premium | 50.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 8-Oct-2019 at premium | 80.00 | - | - | - |
| 9.50% Secured Redeemable Non Convertible debenture Series A10 Option I of Face Value ₹ 1,000,000 Each Redeemable on 22-July-2019 at par | 1,600.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A10 Option II of Face Value ₹ 1,000,000 Each Redeemable on 15-July-2019 at premium | 163.00 | - | - | - |
| 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 of Face Value ₹ 1,000,000 Each Redeemable on 16-Jan-2019 at premium | 44.00 | 44.00 | - | - |
| 11.52% Secured Non Convertible Debentures Series N1 of Face Value ₹ 1,000 Each Redeemable on 26-Dec-2018 at par | 3,903.59 | 3,944.63 | - | - |

Standalone Financial Statements (contd.)

(₹ in Millions)

| Particulars | Non-Current | | Current Maturities | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A8 Option II of Face Value ₹ 1,000,000 Each Redeemable on 26-Dec-2018 at premium | 34.00 | 34.00 | - | - |
| CNX Nifty Index Linked Secured Redeemable Non-Convertible Debentures Series IHF 002 of Face Value ₹ 1,000,000 Each Redeemable on 21-Dec-2018 at par | 310.00 | 310.00 | - | - |
| CNX Nifty Index Linked Secured Redeemable Non-Convertible Debentures Series IHF 001 Type B of Face Value ₹ 1,000,000 Each Redeemable on 21-Dec-2018 at par | 290.00 | 290.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A8 Option I of Face Value ₹ 1,000,000 Each Redeemable on 12-Dec-2018 at premium | 34.00 | 34.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A6 Option III of Face Value ₹ 1,000,000 Each Redeemable on 27-Nov-2018 at premium | 60.00 | 60.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A6 Option II of Face Value ₹ 1,000,000 Each Redeemable on 08-Nov-2018 at premium | 30.00 | 30.00 | - | - |
| 9.15% Secured Redeemable Non Convertible debenture Series B1 of Face Value ₹ 1,000,000 Each Redeemable on 19-Oct-2018 at par | 2,500.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A6 Option I of Face Value ₹ 1,000,000 Each Redeemable on 25-Oct-2018 at premium | 30.00 | 30.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option III of Face Value ₹ 1,000,000 Each Redeemable on 17-Oct-2018 at premium | 30.00 | 30.00 | - | - |
| 9.15% Secured Redeemable Non Convertible debenture Series A14 of Face Value ₹ 1,000,000 Each Redeemable on 12-Oct-2018 at par | 2,500.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option I of Face Value ₹ 1,000,000 Each Redeemable on 03-Oct-2018 at premium | 130.00 | 130.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A5 Option II of Face Value ₹ 1,000,000 Each Redeemable on 13-Sep-2018 at premium | 60.00 | 60.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A3 Option I of Face Value ₹ 1,000,000 Each Redeemable on 09-Aug-2018 at premium | 310.00 | 310.00 | - | - |
| 9.55% Secured Redeemable Non Convertible debenture Series A11 Option I of Face Value ₹ 1,000,000 Each Redeemable on 27-July-2018 at par | 2,000.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A3 Option II of Face Value ₹ 1,000,000 Each Redeemable on 13-Jul-2018 at premium | 100.00 | 100.00 | - | - |
| 9.58% Secured Redeemable Non Convertible debenture Series A9 of Face Value ₹ 1,000,000 Each Redeemable on 11-July-2018 at par | 250.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A2 Option I of Face Value ₹ 1,000,000 Each Redeemable on 28-Jun-2018 at premium | 464.00 | 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 | - | - |
| 9.50% Secured Redeemable Non Convertible debenture Series A11 Option II of Face Value ₹ 1,000,000 Each Redeemable on 20-June-2018 at par | 1,600.00 | - | - | - |

(₹ in Millions)

| Particulars | Non-Current | | Current Maturities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A1 Option III of Face Value ₹ 1,000,000 Each Redeemable on 15-Jun-2018 at premium | 500.00 | 500.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A2 Option II of Face Value ₹ 1,000,000 Each Redeemable on 14-Jun-2018 at premium | 36.00 | 36.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 9 Option II of Face Value ₹ 1,000,000 Each Redeemable on 31-May-2018 at premium | 35.00 | 35.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 9 Option I of Face Value ₹ 1,000,000 Each Redeemable on 24-May-2018 at premium | 175.00 | 175.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 8 Option II of Face Value ₹ 1,000,000 Each Redeemable on 08-May-2018 at premium | 39.00 | 39.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A11 Option III of Face Value ₹ 1,000,000 Each Redeemable on 25-April-2018 at premium | 250.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option IV of Face Value ₹ 1,000,000 Each Redeemable on 18-Apr-2018 at premium | 70.00 | 70.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 8 Option I of Face Value ₹ 1,000,000 Each Redeemable on 17-Apr-2018 at premium | 102.00 | 102.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option III of Face Value ₹ 1,000,000 Each Redeemable on 10-Apr-2018 at premium | 37.00 | 37.00 | - | - |
| 9.50% Secured Redeemable Non Convertible debenture Series A12 of Face Value ₹ 1,000,000 Each Redeemable on 6-April-2018 at par | 1,000.00 | - | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option IV of Face Value ₹ 1,000,000 Each Redeemable on 03-Apr-2018 at premium | 433.00 | 433.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 4 Option III of Face Value ₹ 1,000,000 Each Redeemable on 02-Apr-2018 at premium | 62.00 | 62.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option II of Face Value ₹ 1,000,000 Each Redeemable on 02-Apr-2018 at premium | 33.00 | 33.00 | - | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 4 Option II of Face Value ₹ 1,000,000 Each Redeemable on 23-Jan-2018 at premium | - | 33.00 | 33.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 4 Option I of Face Value ₹ 1,000,000 Each Redeemable on 09-Jan-2018 at premium | - | 30.00 | 30.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 3 Option II of Face Value ₹ 1,000,000 Each Redeemable on 18-Dec-2017 at premium | - | 60.00 | 60.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 3 Option I of Face Value ₹ 1,000,000 Each Redeemable on 06-Dec-2017 at premium | - | 40.00 | 40.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 2 Option II of Face Value ₹ 1,000,000 Each Redeemable on 20-Nov-2017 at premium | - | 115.00 | 115.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 2 Option I of Face Value ₹ 1,000,000 Each Redeemable on 02-Nov-2017 at premium | - | 35.00 | 35.00 | - |

Standalone Financial Statements (contd.)

(₹ in Millions)

| Particulars | Non-Current | | Current Maturities | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series I Option III of Face Value ₹ 1,000,000 Each Redeemable on 11-Oct-2017 at premium | - | 91.00 | 91.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series I Option II of Face Value ₹ 1,000,000 Each Redeemable on 03-Oct-2017 at premium | - | 39.00 | 39.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series I Option I of Face Value ₹ 1,000,000 Each Redeemable on 1-Sep-2017 at premium | - | 65.00 | 65.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A3 Option III of Face Value ₹ 1,000,000 Each Redeemable on 14-Sep-2017 at premium | - | 500.00 | 500.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Option I of Face Value ₹ 1,000,000 Each Redeemable on 31-Aug-2017 at premium | - | 170.00 | 170.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 16-Aug-2017 at premium | - | 180.00 | 180.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option III of Face Value ₹ 1,000,000 Each Redeemable on 15-Jun-2017 at premium | - | 500.00 | 500.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures of Face Value ₹ 1,000,000 Each Redeemable on 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 of Face Value ₹ 1,000,000 Each Redeemable on 10-Apr-2017 at premium | - | 850.00 | 850.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 7 Option I of Face Value ₹ 1,000,000 Each Redeemable on 10-Apr-2017 at premium | - | 500.00 | 500.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A1 Option II of Face Value ₹ 1,000,000 Each Redeemable on 03-Apr-2017 at premium | - | 200.00 | 200.00 | - |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 6 Option I of Face Value ₹ 1,000,000 Each Redeemable on 20-Mar-2017 at premium | - | - | - | 500.00 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 5 Option I of Face Value ₹ 1,000,000 Each Redeemable on 07-Mar-2017 at premium | - | - | - | 500.00 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series A1 Option I of Face Value ₹ 1,000,000 Each Redeemable on 07-Feb-2017 at premium | - | - | - | 30.00 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Option II of Face Value ₹ 1,000,000 Each Redeemable on 06-Sep-2016 at premium | - | - | - | 50.00 |
| Zero Coupon Secured Redeemable Non-Convertible Debentures Series 7 Option II of Face Value ₹ 1,000,000 Each Redeemable on 11-Apr-2016 at premium | - | - | - | 500.00 |
| Total | 23,084.59 | 11,510.63 | 3,858.00 | 1,580.00 |

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

5.2: NON CONVERTIBLE DEBENTURES – UNSECURED

(₹ in Millions)

| Particulars | Non-Current | | Current Maturities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| 9.30% Unsecured Redeemable Non Convertible Subordinate Debentures Series U05 of Face Value ₹ 1,000,000 Each Redeemable on 29-May-2023 at par | 150.00 | - | - | - |
| 9.30% Unsecured Redeemable Non Convertible Subordinated Debentures Series U04 of Face Value ₹ 1,000,000 Each Redeemable on 11-Feb-2022 at par | 100.00 | 100.00 | - | - |
| 9.30% Unsecured Redeemable Non Convertible Subordinated Debentures Series U03 of Face Value ₹ 1,000,000 Each Redeemable on 25-Jan-2022 at par | 100.00 | 100.00 | - | - |
| 10.50% Unsecured Redeemable Non Convertible Subordinated Debentures Series U02 of Face Value ₹ 1,000,000 Each Redeemable on 10-Aug-2021 at par | 100.00 | 100.00 | - | - |
| 10.50% Unsecured Redeemable Non Convertible Subordinated Debentures Series U01 of Face Value ₹ 1,000,000 Each Redeemable on 26-Jul-2021 at par | 170.00 | 170.00 | - | - |
| 12% Unsecured Redeemable Non Convertible Subordinate Debentures Option I of Face Value ₹ 1,000 Each Redeemable on 02-Apr-2020 at par | 1,798.58 | 1,798.58 | - | - |
| Zero Coupon Unsecured Redeemable Non Convertible Subordinate Debentures Option II of Face Value ₹ 1,000 Each Redeemable on 02-Apr-2020 at premium | 201.42 | 201.42 | - | - |
| Total | 2,620.00 | 2,470.00 | - | - |

5.3: DETAILS OF TERM LOANS FROM BANKS INCLUDING TERM LOAN FROM NHB – SECURED

(₹ in Millions)

| Maturities | Non current | | | | | |
|-------------------------|----------------------|--------------------|------------------|----------------------|--------------------|------------------|
| | As at March 31, 2017 | | | As at March 31, 2016 | | |
| | 1-3 years | 3 years & above | Total | 1-3 years | 3 years & above | Total |
| Rate of interest | | | | | | |
| 7.01% to 8.00% | 56.80 | 111.60 | 168.40 | - | - | - |
| 8.01% to 9.00% | 11,947.72 | 8,437.13 | 20,384.85 | - | - | - |
| 9.01% to 10.0% | 899.80 | 500.20 | 1,400.00 | 4,655.20 | 1,869.80 | 6,525.00 |
| 10.01% to 11.00% | 500.00 | - | 500.00 | 7,232.91 | 4,916.90 | 12,149.81 |
| Total | 13,404.32 | 9,048.93 | 22,453.25 | 11,888.11 | 6,786.70 | 18,674.81 |

The rate of interest for the above term loans are linked to the base / MCLR 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.

Standalone Financial Statements (contd.)

NOTE 6. PROVISIONS

(₹ in Millions)

| Particulars | Long-Term | | Short-Term | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Provision for Employee Benefits | | | | |
| Provision for gratuity | - | - | 1.24 | 1.13 |
| Provision for leave encashment | 8.76 | 5.87 | 3.67 | 2.53 |
| Provision – Others | | | | |
| Provision for sub-standard and doubtful assets | 293.80 | 174.70 | - | - |
| Provision for standard assets | 377.50 | 237.00 | - | - |
| Provision for expenses | - | - | 226.06 | 57.89 |
| Provision for Tax (Net of Advance Tax and TDS) | - | - | 69.29 | 123.93 |
| Total | 680.06 | 417.57 | 300.26 | 185.48 |

NOTE 7. SHORT TERM BORROWINGS

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Loan Repayable on demand | | |
| Secured | | |
| Cash Credit/WCDL* (A) | 467.81 | 649.98 |
| Other borrowings | | |
| Unsecured | | |
| Commercial Papers | 8,500.00 | 7,500.00 |
| Less : Unexpired Discount on Commercial Paper | 50.57 | 96.75 |
| Subtotal (B) | 8,449.43 | 7,403.25 |
| Total (A+B) | 8,917.24 | 8,053.23 |

*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, ₹ 467.81 Millions (P.Y. ₹ 649.98 Millions) are also guaranteed by IIFL Holdings Limited, being the Ultimate Holding Company.

NOTE 8. OTHER CURRENT LIABILITIES

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Current Maturities of Long Term Loans (Refer Note - 5) | | |
| Term Loan from Banks | 3,617.22 | 1,199.97 |
| Term Loans from NHB | 162.47 | - |
| Non Convertible Debentures | 3,858.00 | 1,580.00 |
| Others | | |
| Interest accrued but not due on borrowings | 2,647.55 | 1,164.20 |
| Temporary overdrawn bank balance | 5,357.08 | 3,434.58 |
| Advances from customers | 585.15 | 195.32 |
| Advances from Group Companies | 0.19 | - |
| Contractually reimbursable expenses | 283.48 | 248.06 |
| Payables on account of assignments | 726.86 | 103.87 |
| Statutory remittances | 24.66 | 17.38 |
| Accrued salaries and benefits | 57.22 | 76.20 |
| Preference dividend payable | - | 20.00 |
| Dividend distribution tax payable | - | 4.07 |
| Other payables | 0.12 | 0.15 |
| Total | 17,320.00 | 8,043.80 |

NOTE 9. TANGIBLE AND INTANGIBLE ASSETS

(₹ in Millions)

| Particulars | Land | Computer | Electrical Equipment | Furniture And Fixture | Office Equipment | Premises | Software | Total |
|--|------|----------|----------------------|-----------------------|------------------|----------|----------|--------------|
| Cost or valuation as at April 01,2016 | - | 5.95 | 1.08 | 3.52 | 2.07 | 2.34 | 2.41 | 17.37 |
| Additions | 0.86 | 1.01 | 1.70 | 2.46 | 0.61 | - | 2.92 | 9.56 |
| Deductions/Adjustments during the year | - | 0.02 | 0.06 | 0.03 | - | - | - | 0.11 |
| As at March 31,2017 | 0.86 | 6.94 | 2.72 | 5.95 | 2.68 | 2.34 | 5.33 | 26.82 |
| Depreciation | | | | | | | | |
| Upto April 01,2016 | - | 1.21 | 0.19 | 0.82 | 0.32 | 0.19 | 0.20 | 2.93 |
| Depreciation | - | 2.30 | 0.80 | 0.93 | 0.52 | 0.12 | 1.97 | 6.64 |
| Deductions/Adjustments during the year | - | 0.02 | 0.02 | 0.02 | - | - | - | 0.06 |
| Upto March 31,2017 | - | 3.49 | 0.97 | 1.73 | 0.84 | 0.31 | 2.17 | 9.51 |
| Net Block as at March 31,2017 | 0.86 | 3.45 | 1.75 | 4.22 | 1.84 | 2.04 | 3.15 | 17.31 |
| Net Block as at March 31,2016 | - | 4.74 | 0.89 | 2.70 | 1.75 | 2.15 | 2.21 | 14.44 |

NOTE 10. 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.

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| Deferred Tax Asset | | |
| Provision for gratuity | 0.27 | 0.39 |
| Provision for substandard & doubtful assets | 115.35 | 61.55 |
| Provision for standard assets | 130.65 | 82.02 |
| Depreciation | (0.46) | (0.51) |
| Provision for Bonus | 2.51 | - |
| Gross Deferred Tax Asset (A) | 248.32 | 143.45 |
| Deferred Tax Liability | | |
| Special Reserve | 185.95 | 104.16 |
| Deduction for Provision for Doubtful debts | 24.17 | - |
| Gross Deferred Tax Liability (B) | 210.12 | 104.16 |
| Net Deferred Tax Asset (A-B) | 38.20 | 39.29 |

Standalone Financial Statements (contd.)

NOTE 11. LOANS & ADVANCES

(₹ in Millions)

| Particulars | Non Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Loans & Advances | | | | |
| Secured considered good | 66,813.63 | 43,340.25 | 14,560.62 | 9,141.57 |
| Secured considered doubtful* | 484.51 | 317.28 | 20.54 | 10.79 |
| Other Loans & Advances | | | | |
| Dues from customers | | | | |
| - Secured considered good | - | - | 879.21 | 668.73 |
| - Secured considered doubtful* | - | - | 14.16 | 9.67 |
| Unsecured - Deposits with Exchange | - | - | 10.00 | 35.00 |
| Unsecured - Security Deposit | 15.89 | 8.30 | - | - |
| Advance Income Tax & TDS (Net of provisions for Tax) | 38.66 | 170.54 | - | - |
| Total | 67,352.69 | 43,836.37 | 15,484.53 | 9,865.76 |

*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 12. OTHER ASSETS

(₹ in Millions)

| Particulars | Non Current | | Current | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Unamortized Debenture Issue Expenses | 23.77 | 45.13 | 21.37 | 21.37 |
| Prepaid Expenses | 29.08 | - | 31.37 | 56.79 |
| Service Tax Input Credit Receivable | - | - | 1.45 | 1.95 |
| Others | - | - | 4.84 | 2.11 |
| Provision for Tax (Net of Advance tax and TDS) | - | - | 40.54 | - |
| Total | 52.85 | 45.13 | 99.57 | 82.22 |

NOTE 13. CURRENT INVESTMENTS (VALUED AT COST OR MARKET VALUE WHICHEVER IS LOWER)

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Other Investments | - | - |
| Investment in Quoted Non Convertible Debentures | - | - |
| IIHFL Secured NCD – Series N1 | 0.19 | - |
| Total | 0.19 | - |
| Market value of Quoted Investment | 0.19 | - |

NOTE 14. CASH AND BANK BALANCES

(₹ in Millions)

| Particulars | Non Current | | Current | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Cash and Cash Equivalents | | | | |
| Balance with Banks: | | | | |
| - In Current Accounts | - | - | 928.35 | 506.91 |
| Total Cash & Cash Equivalents (A) | - | - | 928.35 | 506.91 |
| Other Bank Balances: | | | | |
| Fixed deposits pledged with bank as margin for credit enhancement/lien/guarantees * | - | - | 934.04 | 140.60 |
| Short term fixed deposits with banks with original maturity of 3 to 12 months | - | - | - | - |
| Total Other Bank Balances (B) | - | - | 934.04 | 140.60 |
| Total (A + B) | - | - | 1,862.39 | 647.51 |

*Note: Out of the total fixed deposits of ₹ 934.04 Millions fixed deposits amounting to ₹ 859.17 Millions (P.Y. ₹ 105.60 Millions) is for credit enhancement with respect to assignment and securitization transaction, ₹ 64.87 Millions (P.Y. Nil) is specifically lien marked for assignment and securitization transaction and ₹ 10.00 Millions (P.Y. ₹ 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 | 2016-17 | 2015-16 |
|---------------------------------|-----------------|-----------------|
| Interest Income | 8,184.82 | 5,070.58 |
| Profit from Sale of Investments | 117.20 | 38.22 |
| Dividend Income | - | - |
| Total | 8,302.02 | 5,108.80 |

NOTE 16. OTHER INCOME

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------------|---------------|
| Interest on fixed deposits | 27.89 | 12.44 |
| Processing fee | 250.17 | 240.22 |
| Administration fee & other charges from customer | 188.06 | 38.15 |
| Miscellaneous income* | 281.62 | 122.98 |
| Total | 747.74 | 413.79 |

***Miscellaneous income includes:**

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------|---------|
| Commission in respect of insurance agency business | 5.37 | - |

NOTE 17. EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|-----------------|---------------|
| Salaries and Bonus | 1,055.86 | 640.74 |
| Contribution to Provident and other funds* | 26.40 | 16.50 |
| Leave Encashment | 6.73 | 5.80 |
| Gratuity Expenses | 7.25 | 3.69 |
| Staff Welfare Expenses | 9.71 | 3.89 |
| Total | 1,105.95 | 670.62 |

Standalone Financial Statements (contd.)

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

(₹ in Millions)

| Assumptions | 2016-17 | 2015-16 |
|---|---------------|---------------|
| Discount rate | 7.72% | 7.89% |
| Salary Escalation | 5.00% | 5.00% |
| Change in Benefit Obligation | | |
| Present value of benefit obligation as at beginning of the current period | 10.62 | 2.99 |
| Interest Cost | 0.82 | 0.24 |
| Current Service Cost | 3.63 | 1.09 |
| Liability transferred in | 0.71 | 4.28 |
| Liability transferred out | (0.23) | (0.12) |
| Benefit paid in normal course | (1.24) | (0.31) |
| Actuarial (Gains)/ Losses on obligations | 2.99 | 2.45 |
| Liability at the end of the year | 17.30 | 10.62 |
| Amount Recognized in the Balance Sheet | | |
| Fair value of plan assets at the end of the year | 16.05 | 9.49 |
| Liability at the end of the year | (17.30) | (10.62) |
| Funded Status | (1.24) | (1.13) |
| Net Asset recognised in Balance sheet | (1.24) | (1.13) |
| Expenses Recognized in the Income Statement | | |
| Current Service Cost | 3.63 | 1.09 |
| Interest Cost | 0.82 | 0.24 |
| Expected return on plan assets | (0.73) | (0.21) |
| Actuarial (Gains)/Losses | 3.53 | 2.57 |
| Expense Recognized in statement of Profit & loss | 7.25 | 3.69 |
| Balance Sheet Reconciliation | | |
| Opening Net liability | 1.13 | 0.30 |
| Expenses as above | 7.25 | 3.69 |
| Net transfer in | 0.70 | 4.28 |
| Net transfer out | (0.23) | (0.12) |
| Employers Contribution | (7.61) | (7.01) |
| Net Asset Recognized in Balance Sheet | 1.24 | 1.13 |

*Defined contribution Plans:

The Company has also recognized the following amount as an expense

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------|---------|
| Contribution to Provident and Other Fund | 24.28 | 15.33 |

NOTE 18. FINANCE COST

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|-----------------------|-----------------|-----------------|
| Interest Expense | 5,778.64 | 3,227.44 |
| Other borrowing cost* | 73.90 | 57.07 |
| Total | 5,852.54 | 3,284.51 |

*During the Year the Company has changed its Accounting Policy with respect to amortization of Non Convertible Debenture Issues Expenses including ancillary and other acquisition costs. If the same was not changed the Company's profit before Tax would have been lower by ₹ 10.11 Millions.

NOTE 19. OTHER EXPENSES

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------------|---------------|
| Advertisement* | 4.53 | 0.86 |
| Books & Periodicals | 0.02 | 0.01 |
| Direct operating expenses | 75.08 | 45.13 |
| Marketing Expenses | 19.23 | 13.75 |
| Bank Charges | 1.76 | 1.62 |
| Communication | 9.98 | 2.95 |
| Electricity | 14.94 | 3.07 |
| Exchange and Statutory charges | 9.79 | 5.76 |
| Legal & Professional Fees | 110.00 | 61.50 |
| Miscellaneous Expenses | 11.38 | 4.46 |
| Office expenses | 21.84 | 12.20 |
| Postage & Courier | 3.59 | 2.03 |
| Printing & Stationary | 7.90 | 4.41 |
| Rates & Taxes | 0.04 | 0.03 |
| Rent | 57.00 | 15.49 |
| Repairs & Maintenance | | |
| - Computer | 0.95 | 0.14 |
| - Others | 2.17 | 2.12 |
| Remuneration to Auditors : | | |
| Audit Fees | 0.24 | 0.23 |
| Certificaton Expenses | 0.16 | 0.06 |
| Out Of Pocket Expenses | 0.02 | 0.02 |
| Software Charges | 10.38 | 2.79 |
| Subscription | 0.09 | - |
| Travelling & Conveyance | 92.10 | 61.51 |
| Corporate Social Responsibility (CSR) Expenses | 15.66 | 9.38 |
| Profit/(loss) on sale of fixed assets | 0.02 | - |
| Total | 468.87 | 249.52 |

***Payments made in foreign currency**

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|-------------------|---------|---------|
| For Advertisement | 0.22 | - |

NOTE 20. PROVISIONS & WRITE OFF

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------------|---------------|
| Bad Debts Written off & others | 84.95 | 1.19 |
| Provision for Substandard & Doubtful Loans | 119.10 | 64.66 |
| Provision for Standard Loans | 140.50 | 140.48 |
| Total | 344.55 | 206.33 |

Standalone Financial Statements (contd.)

NOTE 21. BASIC & DILUTED EARNING PER SHARE

(₹ in Millions)

| Particulars | | 2016-17 | 2015-16 |
|---|-------|---------------|---------------|
| Basic & Diluted Earning Per Share (EPS) | | | |
| Profit after tax as per statement of profit & Loss | | 835.58 | 720.59 |
| Less: Preference Dividend | | 12.55 | 96.13 |
| Less: Dividend Distribution Tax | | 2.55 | 19.57 |
| Net Profit after Tax After Preference Dividend | A | 820.48 | 604.89 |
| Weighted average number of Equity Shares | B | 16,483,249 | 11,503,390 |
| Basic EPS (₹) | A/B | 49.78 | 52.58 |
| Potential Dilutive Preference Shares | C | - | 135,000,000 |
| Average number of Potential Dilutive preference shares considered for EPS | D | - | 2,108,607 |
| Total number of shares for Dilutive EPS | E=B+D | 16,483,249 | 13,611,997 |
| Profit after tax after adjustment of diluted Earnings | F | 820.48 | 696.52 |
| Diluted EPS (₹) | F/E | 49.78 | 51.17 |

NOTE 22. CONTINGENT LIABILITY AND COMMITMENTS

- Contingent Liabilities: ₹ 0.58 Millions towards Legal Commitments (P.Y. ₹ 0.34 Millions)
- Commitments: As on the balance sheet date there were undrawn credit commitments of ₹ 10,280.56 Millions (P.Y. ₹ 5,583.74 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, 2017 are as under:

(₹ in Millions)

| Minimum Lease Payments | March 31, 2017 | March 31, 2016 |
|------------------------|----------------|----------------|
| Up to One year | 22.27 | 3.31 |
| One to Five years | - | - |
| Total | 22.27 | 3.31 |

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. All other activities of the Company revolve around the main business of financing and investing. Further, there are no significant differences in the risk and reward pertaining to other activities. 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.

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 |
| 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 (upto February 17, 2016) – ceased |
| | India Infoline Limited |
| | 5 Paisa Capital Limited (Formerly known as IIFL Capital Limited) |
| | IIFL Real Estate Limited (Formerly known as IIFL Facilities Services Limited and IIFL Realty Limited)** |
| | IIFL Wealth Management Limited |
| | IIFL Alternate Asset Advisors Limited |
| | IIFL (Asia) Pte Limited |
| | IIFL Inc. |
| | IIFL Capital Pte Limited |
| | IIFL Wealth (UK) Limited |
| | IIFL Asset Management Limited (Formerly known as India Infoline Asset Management Company Limited) |
| | IIFL Trustee Limited (Formerly Known as India Infoline Trustee Company Limited) |
| | IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited) |
| | IIFL Distribution Services Limited |
| | IIFL Investment Advisor and Trustee Services Limited |
| | IIFL Private Wealth Management (Dubai) Limited |
| | IIFL Private Wealth Hong Kong Limited |
| | IIFL Private Wealth (Suisse) SA. |
| | IIFL Capital Inc. |
| | IIFL Capital (Canada) Limited (w.e.f. November 14, 2016) |
| | IIFL Securities Pte. Limited |
| | IIFL Asset Reconstruction Limited |
| | India Infoline Foundation |
| | India Alternative Investment Advisors Private Limited (Ceased to be Group Company w.e.f. March 30, 2017) |
| | IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited) |
| | Ayusha Dairy Private Limited (w.e.f. March 01, 2017) |
| | Samasta Microfinance Limited (w.e.f. March 01, 2017) |
| 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 |
| | Meenakshi Tower LLP (Joint venture of Group Company of IIFL Real Estate Limited) |

*Mr Kaushik Chatterjee was Chief Risk officer upto August 3, 2016.

**The NCLT vide its order dated March 30, 2017 has approved and sanctioned the Scheme of Amalgamation of IIFL Properties Private Limited with IIFL Real Estate Limited w.e.f. April 01, 2015. Thus, all the related party transactions with IIFL Properties Private Limited, for the current year and the previous year, have been shown under IIFL Real Estate Limited.

Standalone Financial Statements (contd.)

(B) Significant Transaction with Related Parties:

(₹ in Millions)

| Nature of Transaction | Ultimate Holding Company | Holding Company | Group Companies | Key Management Personnel | Total |
|---|--------------------------|-----------------|-----------------|--------------------------|----------|
| Interest Income | | | | | |
| India Infoline Finance Limited | - | 58.50 | - | - | 58.50 |
| | (-) | (86.65) | (-) | (-) | (86.65) |
| India Infoline Media & Research Services Limited | - | - | 0.01 | - | 0.01 |
| | (-) | (-) | (-) | (-) | (-) |
| Service Fee Income on Mortgage Portfolio | | | | | |
| India Infoline Finance Limited | - | 28.05 | - | - | 28.05 |
| | (-) | (21.99) | (-) | (-) | (21.99) |
| Consultancy Fees Income | | | | | |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 0.07 | - | 0.07 |
| | (-) | (-) | (-) | (-) | (-) |
| Interest Expenses | | | | | |
| India Infoline Finance Limited | - | 51.93 | - | - | 51.93 |
| | (-) | (114.24) | (-) | (-) | (114.24) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 0.21 | - | 0.21 |
| | (-) | (-) | (19.18) | (-) | (19.18) |
| IIFL Holdings Limited | - | - | - | - | - |
| | (4.09) | (-) | (-) | (-) | (4.09) |
| IIFL Wealth Finance Limited (Formerly known as Chephis Capital Markets Limited) | - | - | 0.20 | - | 0.20 |
| | (-) | (-) | (-) | (-) | (-) |
| Advisory Fees/Arranger Fees | | | | | |
| IIFL Wealth Management Limited | - | - | - | - | - |
| | (-) | (-) | (8.94) | (-) | (8.94) |
| IIFL Real Estate Limited (Formerly known as IIFL Facilities Services Limited) | - | - | - | - | - |
| | (-) | (-) | (1.56) | (-) | (1.56) |
| Brokerage/Delayed Paying Expense | | | | | |
| India Infoline Limited | - | - | 0.01 | - | 0.01 |
| | (-) | (-) | (0.00) | (-) | (0.00) |
| Rent Expenses | | | | | |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 12.37 | - | 12.37 |
| | (-) | (-) | (0.50) | (-) | (0.50) |
| Corporate Social Responsibility Expense (CSR) | | | | | |
| India Infoline Foundation | - | - | 15.66 | - | 15.66 |
| | (-) | (-) | (-) | (-) | (-) |
| Service Fees on Assignment Transaction | | | | | |
| India Infoline Finance Limited | - | 12.42 | - | - | 12.42 |
| | (-) | (18.67) | (-) | (-) | (18.67) |
| Preference Dividend (Proposed/Paid) | | | | | |
| India Infoline Finance Limited | - | 32.55 | - | - | 32.55 |
| | (-) | (76.13) | (-) | (-) | (76.13) |
| Receipt towards Assignment Transaction | | | | | |
| India Infoline Finance Limited | - | 138.32 | - | - | 138.32 |
| | (-) | (223.83) | (-) | (-) | (223.83) |
| Payment towards Assignment Transaction | | | | | |
| India Infoline Finance Limited | - | 139.58 | - | - | 139.58 |
| | (-) | (373.15) | (-) | (-) | (373.15) |

(₹ in Millions)

| Nature of Transaction | Ultimate Holding Company | Holding Company | Group Companies | Key Management Personnel | Total |
|---|--------------------------|-----------------|-----------------|--------------------------|------------|
| ICD taken | | | | | |
| IIFL Holdings Limited | - | - | - | - | - |
| | (490.00) | (-) | (-) | (-) | (490.00) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 260.00 | - | 260.00 |
| | (-) | (-) | (4,010.00) | (-) | (4,010.00) |
| India Infoline Finance Limited | - | 3,306.00 | - | - | 3,306.00 |
| | (-) | (6,609.50) | (-) | (-) | (6,609.50) |
| ICD returned back | | | | | |
| IIFL Holdings Limited | - | - | - | - | - |
| | (490.00) | (-) | (-) | (-) | (490.00) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 260.00 | - | 260.00 |
| | (-) | (-) | (5,030.00) | (-) | (5,030.00) |
| India Infoline Finance Limited | - | 3,306.00 | - | - | 3,306.00 |
| | (-) | (6,609.50) | (-) | (-) | (6,609.50) |
| ICD Given | | | | | |
| India Infoline Finance Limited | - | 1,480.00 | - | - | 1,480.00 |
| | (-) | (469.90) | (-) | (-) | (469.90) |
| India Infoline Media & Research Services Limited | - | - | 40.00 | - | 40.00 |
| | (-) | (-) | (-) | (-) | (-) |
| ICD Received Back | | | | | |
| India Infoline Finance Limited | - | 1,480.00 | - | - | 1,480.00 |
| | (-) | (469.90) | (-) | (-) | (469.90) |
| India Infoline Media & Research Services Limited | - | - | 40.00 | - | 40.00 |
| | (-) | (-) | (-) | (-) | (-) |
| Remuneration to KMP | | | | | |
| Remuneration to KMP | - | - | - | 23.61 | 23.61 |
| | (-) | (-) | (-) | (31.38) | (31.38) |
| Allotment of Equity Share | | | | | |
| India Infoline Finance Limited | - | 3,850.00 | - | - | 3,850.00 |
| | (-) | (1,000.00) | (-) | (-) | (1,000.00) |
| Redemption & Conversion of Preference shares | | | | | |
| India Infoline Finance Limited | - | 300.00 | - | - | 300.00 |
| | (-) | (1,350.00) | (-) | (-) | (1,350.00) |
| Issue of Debentures | | | | | |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | - | - | - |
| | (-) | (-) | (150.00) | (-) | (150.00) |
| Allocation / Reimbursement of expenses Paid | | | | | |
| India Infoline Limited | - | - | 23.82 | - | 23.82 |
| | (-) | (-) | (6.94) | (-) | (6.94) |
| IIFL Holdings Limited | 16.85 | - | - | - | 16.85 |
| | (-) | (-) | (-) | (-) | (-) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 8.77 | - | 8.77 |
| | (-) | (-) | (-) | (-) | (-) |
| India Infoline Finance Limited | - | - | - | - | - |
| | (-) | (6.28) | (-) | (-) | (6.28) |
| Allocation / Reimbursement of expenses Paid Others | | | | | |
| India Infoline Finance Limited | - | 1.34 | - | - | 1.34 |
| | (-) | (0.26) | (-) | (-) | (0.26) |

Standalone Financial Statements (contd.)

(₹ in Millions)

| Nature of Transaction | Ultimate Holding Company | Holding Company | Group Companies | Key Management Personnel | Total |
|---|--------------------------|-----------------|-----------------|--------------------------|--------|
| India Infoline Limited | - | - | 6.36 | - | 6.36 |
| | (-) | (-) | (0.14) | (-) | (0.14) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | - | - | - |
| | (-) | (-) | (0.06) | (-) | (0.06) |
| India Infoline Media & Research Services Limited | - | - | 0.11 | - | 0.11 |
| | (-) | (-) | (-) | (-) | (-) |
| India Infoline Commodities Limited | - | - | 0.02 | - | 0.02 |
| | (-) | (-) | (-) | (-) | (-) |
| Allocation / Reimbursement of expenses Received | | | | | |
| India Infoline Limited | - | - | 10.92 | - | 10.92 |
| | (-) | (-) | (2.43) | (-) | (2.43) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 1.63 | - | 1.63 |
| | (-) | (-) | (-) | (-) | (-) |
| India Infoline Commodities Limited | - | - | 0.01 | - | 0.01 |
| | (-) | (-) | (-) | (-) | (-) |
| Allocation / Reimbursement of expenses Received Others | | | | | |
| India Infoline Limited | - | - | 0.13 | - | 0.13 |
| | (-) | (-) | (0.07) | (-) | (0.07) |
| India Infoline Insurance Brokers Limited | - | - | - | - | - |
| | (-) | (-) | (0.09) | (-) | (0.09) |
| IIFL Real Estate Limited (formerly known as IIFL Facilities Services Limited) | - | - | 0.14 | - | 0.14 |
| | (-) | (-) | (-) | (-) | (-) |
| India Infoline Finance Limited | - | 0.95 | - | - | 0.95 |
| | (-) | (8.54) | (-) | (-) | (8.54) |

Figures in Bracket represents previous year's figure.

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

C) Closing Balance

(₹ in Millions)

| Nature of Transaction | Ultimate Holding Company | Holding Company | Group Companies | Total |
|--------------------------------|--------------------------|-----------------|-----------------|--------|
| Sundry Payable | | | | |
| India Infoline Finance Limited | - | 11.50 | - | 11.50 |
| | (-) | (-) | (-) | (-) |
| Sundry receivables | | | | |
| India Infoline Finance Limited | - | - | - | - |
| | (-) | (0.50) | (-) | (0.50) |

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

(₹ in Millions)

| Name of Related Party | Balance as on March 31, 2017 | Maximum outstanding during the year |
|--|------------------------------|-------------------------------------|
| India Infoline Finance Limited | - | 530.00 |
| India Infoline Media and Research Services Limited | - | 40.00 |

NOTE 30. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2016-17, the Company has spent ₹ 15.66 Millions (P.Y. ₹ 9.58 Millions) out of the total amount of ₹ 15.66 Millions (P.Y. ₹ 9.58 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. DISCLOSURES AS PER "HOUSING FINANCE COMPANIES – CORPORATE GOVERNANCE (NATIONAL HOUSING BANK) DIRECTIONS, 2016"

The following additional disclosures have been given in terms of the Notification No.NHB,HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank:

I) Capital

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| CRAR (%) | 17.58 | 16.75 |
| CRAR - Tier-I Capital (%) | 14.36 | 11.06 |
| CRAR - Tier-II Capital (%) | 3.22 | 5.69 |
| Amount of subordinated debt raised as Tier-II Capital (₹ in Millions) | 150.00 | 470.00 |
| Amount raised by issue of Perpetual Debt Instruments (₹ in Millions) | - | - |

II) Reserve Fund u/s 29C of NHB Act, 1987

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

III) Investments

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| A) Value of Investments | | |
| (i) Gross Value of Investments | | |
| (a) In India | 0.19 | - |
| (b) Outside India | - | - |
| (ii) Provision for Depreciation | | |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net Value of Investments | | |
| (a) In India | 0.19 | - |
| (b) Outside India | - | - |
| B) Movement of provisions held towards depreciation on investments | | |
| (i) Opening balance | - | - |
| (ii) Add: Provisions made During the Year | - | - |
| (iii) Less: Write-off / Written-bank of excess provisions during the year | - | - |
| (iv) Closing balance | - | - |

Standalone Financial Statements (contd.)

IV) Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in Millions)

| Particulars | As at March 31, 2017 |
|--|-------------------------|
| (i) The notional principal of swap agreements | 900.00 |
| (ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | - |
| (iii) Collateral required by the HFC upon entering into swaps | - |
| (iv) Concentration of credit risk arising from the swaps | - |
| (v) The fair value of the swap book | - |

b) Exchange Traded Interest Rate (IR) Derivative

(₹ in Millions)

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

c) Disclosure on Risk Exposure in Derivatives

Qualitative Disclosure

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

Quantitative Disclosure

(₹ in Millions)

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

V) Details on Securitization**a) Securitization transactions under SPV Structure sponsored by HFC**

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| i) No of SPVs sponsored by the HFC for securitization transactions | 7 | - |
| ii) Total amount of securitized assets as per books of the SPVs sponsored | 6,783.44 | - |
| iii) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet | | |
| a) Off-balance sheet exposures towards Credit Enhancements | - | - |
| b) On-balance sheet exposures towards Credit Enhancements | 797.73 | - |
| iv) Amount of exposures to securitization transactions other than MRR | | |
| a) Off-balance sheet exposures towards Credit Enhancements | | |
| (A) Exposure to own securitizations | - | - |
| (B) Exposure to third party securitizations | - | - |
| b) On-balance sheet exposures towards Credit Enhancements | | |
| (A) Exposure to own securitizations | - | - |
| (B) Exposure to third party securitizations | - | - |

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

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------|---------|
| (i) No. of accounts | - | - |
| (ii) Aggregate value (net of provisions) of accounts sold to SC / RC | - | - |
| (iii) Aggregate consideration | - | - |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| (v) Aggregate gain / loss over net book value | - | - |

c) Details of Assignment transactions undertaken

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|----------|----------|
| (i) No. of accounts | 1,972 | 630 |
| (ii) Aggregate value (net of provisions) of accounts assigned | 9,079.06 | 3,156.30 |
| (iii) Aggregate consideration | 8,171.16 | 2,840.67 |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| (v) Aggregate gain / loss over net book value | - | - |

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

Details of non-performing financial assets purchased

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|---|---------|---------|
| (i) No. of accounts purchased during the year | - | - |
| (ii) Aggregate outstanding | - | - |
| (iii) Of these, number of accounts restructured during the year | - | - |
| (iv) Aggregate outstanding | - | - |

Details of non-performing financial assets sold

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|--|---------|---------|
| (i) No. of accounts sold | - | - |
| (ii) Aggregate outstanding | - | - |
| (iii) Aggregate consideration received | - | - |

Standalone Financial Statements (contd.)

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

(₹ in Millions)

| Particulars | Upto 30/31 days (one month) | Over 1 month & up to 2 months | Over 2 months & up to 3 months | Over 3 months & up to 6 months | Over 6 month & up to 1 year | Over 1 year & up to 3 years | Over 3 years & up to 5 years | Over 5 years & up to 7 years | Over 7 years & up to 10 year | Over 10 Years | Total |
|------------------------------|-----------------------------|-------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|---------------|-----------|
| Liabilities | | | | | | | | | | | |
| Deposits | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings from Bank | 124.93 | - | 312.50 | 1,195.72 | 2,333.66 | 12,785.01 | 8,495.05 | 431.02 | 50.86 | 72.00 | 25,800.75 |
| Market Borrowing | 5,130.66 | 5,318.76 | 500.00 | 2,515.00 | 443.00 | 18,004.59 | 5,950.00 | 150.00 | - | - | 38,012.01 |
| Foreign Currency Liabilities | - | - | - | - | - | 900.00 | - | - | - | - | 900.00 |
| Assets | | | | | | | | | | | |
| Advances | 1,374.43 | 1,336.17 | 1,849.90 | 3,165.28 | 6,855.38 | 9,376.50 | 8,406.46 | 7,914.12 | 12,940.75 | 28,660.30 | 81,879.30 |
| Investments | 0.19 | - | - | - | - | - | - | - | - | - | 0.19 |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - |

VII) Exposure

a) Exposure to Real Estate Market

(₹ in Millions)

| Category | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| a) Direct exposure | | |
| (i) Residential Mortgages- | | |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; | | |
| - Up to ₹ 15 Lacs | 6,938.10 | 4,430.78 |
| - More Than ₹ 15 Lacs | 54,306.87 | 35,782.80 |
| (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; | 20,634.33 | 12,596.31 |
| (iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures- | | |
| a. Residential | - | - |
| b. Commercial Real Estate | - | - |
| b) Indirect Exposure | | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - | - |

b) Exposure to Capital Market

(₹ in Millions)

| Category | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | - | - |
| ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | - | - |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | - | - |
| iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances'; | - | - |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | - | - |
| vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - |
| vii) Bridge loans to companies against expected equity flows / issues; | - | - |
| viii) All exposures to Venture Capital Funds (both registered and unregistered) | - | - |

c) Details of financing of parent company products: The Company does not have any exposure in financing of parent company products.

d) Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC: The Company has not exceeded the SGL and GBL Limits.

e) Unsecured Advances: The Company do not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing.

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

IX) Disclosure of Penalties imposed by NHB and other regulators:

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

X) Related Party Transactions: Related party transaction details have been disclosed under Note No. 29.

Standalone Financial Statements (contd.)

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

a) Ratings Assigned by Credit Rating Agencies

(₹ in Millions)

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

*Enhanced by ₹ 20,000 Millions in FY 17

^ Enhanced by ₹ 10,000 Millions in FY 17

^^ Taken in FY17

^^^Enhanced by ₹ 25,000 Millions in FY 17

b) Details of Migration of Ratings during the year

(₹ in Millions)

| Credit Rating Agency | Instrument | Amount Rated | Current Rating | Previous Rating |
|----------------------|---------------------------|--------------|------------------|-------------------|
| CRISIL Limited | Non Convertible Debenture | 7,500.00 | CRISIL AA/Stable | CRISIL AA-/Stable |

XII) Remuneration of Non-Executive Directors

(₹ in Millions)

| Name of Directors | Remuneration Paid 2016-17 | Remuneration Paid 2015-16 |
|-------------------|---------------------------|---------------------------|
| Mr. Kranti Sinha | 0.45 | 0.43 |
| Mr. S. Sridhar | 1.48 | 1.46 |

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

XIV) Details on Provisions and Contingencies

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

(₹ in Millions)

| Particulars | 2016-17 | 2015-16 |
|---|---------|---------|
| Provisions for depreciation on Investment | - | - |
| Provision made towards Income tax | 449.36 | 403.07 |
| Provision towards NPA | 119.10 | 64.66 |
| Provision for Standard Assets: | 140.50 | 140.48 |
| CRE-Residential | 27.59 | (0.30) |
| CRE – Others | 17.67 | 8.91 |
| Others | 95.24 | 131.87 |

b) Break up of Loans and Advances and Provisions thereon

(₹ in Millions)

| Particulars | Housing | | Non-Housing | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 | As at March 31, 2016 |
| Standard Assets | | | | |
| a) Total Outstanding Amount | 52,792.76 | 29,857.05 | 29,469.84 | 23,278.19 |
| b) Provisions made | 243.00 | 137.60 | 134.50 | 99.40 |
| Sub Standard Assets | | | | |
| a) Total Outstanding Amount | 165.52 | 142.62 | 183.94 | 65.32 |
| b) Provisions made | 77.27 | 54.64 | 93.74 | 25.07 |
| Doubtful Assets- Cat I | | | | |
| a) Total Outstanding Amount | 86.78 | 66.22 | 43.12 | 39.93 |
| b) Provisions made | 58.72 | 45.82 | 27.43 | 25.52 |
| Doubtful Assets- Cat II | | | | |
| a) Total Outstanding Amount | 32.63 | 21.28 | 1.91 | 0.22 |
| b) Provisions made | 29.48 | 21.27 | 1.85 | 0.23 |
| Doubtful Assets- Cat III | | | | |
| a) Total Outstanding Amount | - | - | - | - |
| b) Provisions made | - | - | - | - |
| Loss Assets | | | | |
| a) Total Outstanding Amount | 5.11 | 2.10 | 0.21 | 0.06 |
| b) Provisions made | 5.11 | 2.10 | 0.21 | 0.06 |

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

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

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

b) **Concentration of Loans & Advances**

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Total Loans & Advances to twenty largest borrowers | 5,701.32 | 5,101.53 |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 6.96% | 9.65% |

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

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|-------------------------|-------------------------|
| Total Exposure* to twenty largest borrowers / customers | 6,987.53 | 5,328.70 |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers | 7.50% | 9.01% |

* Total Exposure for this note means assets under management as increased by interest receivable and interest accrued for standard assets. For non-performing assets Total Exposure means assets under management.

Standalone Financial Statements (contd.)

d) Concentration of NPAs

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| Total Exposure (Gross NPA) to top ten NPA accounts | 178.01 | 182.73 |

e) Sector wise NPAs

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-----------------------------|-------------------------|-------------------------|
| A. Housing Loans | | |
| 1. Individuals | 289.77 | 199.86 |
| 2. Builders/Project Loans | 0.27 | 32.35 |
| 3. Corporates | - | - |
| 4. Others (specify) | - | - |
| B. Non-Housing Loans | | |
| 1. Individuals | 146.79 | 68.41 |
| 2. Builders/Project Loans | 31.52 | 37.12 |
| 3. Corporates | 50.87 | - |
| 4. Others (specify) | - | - |

XVII) Movement of NPAs

(₹ in Millions)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--|-------------------------|-------------------------|
| (I) Net NPAs to Net Advances (%) | 0.28% | 0.31% |
| (II) Movement of NPAs (Gross) | | |
| a Opening balance | 337.75 | 170.52 |
| b Additions during the year | 350.97 | 246.77 |
| c Reductions during the year | (169.50) | (79.54) |
| d. Closing balance | 519.22 | 337.75 |
| (III) Movement of NPAs (Net) | | |
| a Opening balance | 163.05 | 60.48 |
| b Additions during the year | 188.04 | 141.85 |
| c Reductions during the year | (125.67) | (39.28) |
| d. Closing balance | 225.42 | 163.05 |
| IV. Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a Opening balance | 174.70 | 110.04 |
| b Provisions made during the year | 214.19 | 115.21 |
| c Write-off/write-back of excess provisions | (95.09) | (50.55) |
| d. Closing balance | 293.80 | 174.70 |

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

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

XX) Disclosure of Complaints

| Particulars | 2016-17 | 2015-16 |
|--|---------|---------|
| a) No of Complaints pending at the beginning of the year | - | - |
| b) No of Complaints received during the year | 233 | 73 |
| c) No of Complaints redressed during the year | 224 | 73 |
| d) No of Complaints pending at the end of the year | 9 | - |

NOTE 32. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNS and other notes as per the notification is given below:

(₹ in Millions)

| Particulars | SBNS* | Other Denominated Notes | Total |
|---|-------|-------------------------|-------|
| Closing Cash in hand as on 08.11.2016 as per books | 11.00 | - | 11.00 |
| (+) Permitted Receipts | - | 9.64 | 9.64 |
| (-) Permitted Payment | - | - | - |
| (-) Amount deposited in banks | 11.00 | 9.64 | 20.64 |
| Closing cash in hand as on 30.12.2016 as per books | - | - | - |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

Tirtharaj Khot

Partner

Membership No (F) 037457

Place : Mumbai

Dated: May 3, 2017

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

SAMMAAN

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INDIA INFOLINE HOUSING FINANCE LIMITED, CORPORATE IDENTITY NUMBER - U65993MH2006PLC166475

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

•Tel : (91-22) 6788 1000 • Fax: (91-22) 6788 1010 • Email: reach@iihfl.com



SWARAJ HOME LOAN APNAYE, KIRAYE SE MUKTI PAYE



Hassle free processing



Income proof not mandatory



No minimum qualification
Required



Avail
subsidy of

₹ **2.67 Lac***

under Pradhan
Mantri Awas
Yojana!

*Terms & conditions apply

Missed Call: 08067264687

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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

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. S. Sridhar

Mr. R. Venkataraman

Stakeholders Relationship Committee

Mr. R. Venkataraman

Mr. Monu Ratra

Ms. Rajashree Nambiar

CSR Committee

Mr. Kranti Sinha

Mr. R. Venkataraman

Mr. Nirmal Jain

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
Chief Risk Officer

Mr. Mohit Kumar
National Credit Manager

Ms. Abhishikta Chadda Munjal
Head - Policy

Mr. Pankaj Ahuja
Head - Collections

Mr. Manoj Kumar
Head - Legal

Mr. Tejas Dave
Head - Technical

Mr. Karan Arora
Head - Strategy & Initiatives

Mr. Upendra Jaiswal
Head - Internal Audit

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083.

REGISTERED OFFICE

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

CORPORATE OFFICE

IIFL Tower, Plot No. 98, Udyog Vihar,
Phase - IV, Gurgaon - 122 015

LIST OF BANKERS/FINANCIAL INSTITUTIONS

National Housing Bank
Axis Bank
Bank of India
Bank of Maharashtra
Canara Bank
CITI Bank
Corporation Bank
Dena Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indusind Bank
The Jammu and Kashmir Bank
Karnataka Bank
Kotak Mahindra Bank
May Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
RBL Bank
Standard Chartered Bank
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
Syndicate Bank
United Bank of India
Yes Bank



Ghar Aapka. Loan Hamaara.

India Infoline Housing Finance Limited

CIN – U65993MH2006PLC166475
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C-38 and C-39, G Block, Behind MCA,
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