(Please scan this QR code to view the Shelf Prospectus)

IIFL HOME FINANCE LIMITED

IIFL Home Finance Limited (the "**Company**" or "**Issuer**") was incorporated at Mumbai on December 26, 2006 with the name India Infoline Housing Finance Limited under the provisions of the Companies Act, 1956. The name of our Company was changed to IIFL Home Finance Limited pursuant to a fresh certificate of incorporation dated on May 2, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company is registered with the National Housing Bank ("**NHB**") as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. For more information about our Company, please see "*General Information*" and "*History and Main Objects*" on pages 58 and 143, respectively.

Registered Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India**; Corporate Office:** Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122015, Haryana, India; **Tel:** +91 124 4754 600

CIN: U65993MH2006PLC166475; **PAN**: AABCI6154K; **Website:** www.iiflhomeloans.com; **Email**: hfcinvestors@iiflhomeloans.com

Company Secretary and Compliance Officer: Ajay Jaiswal; **Tel.:** 0124 4780964; **Email:** hfcinvestors@iiflhomeloans.com

Chief Financial Officer*:* Gaurav Seth; **Tel**: + 91 124 4754 600; **Email**: iihfl.accounts@iiflhomeloans.com

PUBLIC ISSUE BY THE COMPANY OF UPTO 3,00,00,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), AGGREGATING UP TO ₹ 3,000 CRORE ("SHELF LIMIT") ("ISSUE"). THE NCDS WILL BE ISSUED IN ONE OR MORE TRANCHES (EACH BEING A "TRANCHE ISSUE") UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE DRAFT SHELF PROSPECTUS, THIS SHELF PROSPECTUS AND RELEVANT TRANCHE PROSPECTUS (COLLECTIVELY, THE "OFFER DOCUMENTS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR, AS AMENDED FROM TIME TO TIME. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTER

Our promoter is IIFL Finance Limited; **Tel**: +91 22 6788 1000; **Email id**: governance@iifl.com. For further details see "*Our Promoters*" on page 165.

GENERAL RISKS

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the chapters *"Risk Factors"* and *"Material Developments"* on pages 22 and 200, respectively, before making an investment in such Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities This Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any Stock Exchange in India nor do they guarantee the accuracy or adequacy of this document.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see "*Issue Related Information*" on page 314.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated "CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook)" for an amount of ₹ 3,000 Crore by CRISIL vide their rating letter dated September 30, 2024, revalidated vide letter dated November 21, 2024 read with the rating rationale dated September 30, 2024 and updated rating rationale as on November 26, 2024 and "IND AA/Stable" for an amount of ₹ 3,000 Crore by India Ratings vide their rating letter dated September 9, 2024 revalidated vide letter dated November 25, 2024 read with rating rationale dated September 9, 2024 and updated rationale dated November 14, 2024. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk. Ratings given by CRISIL and India Ratings are valid as on the date of this Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange unless withdrawn. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre issue advertisement has been given. The rating is not a recommendation to buy, sell or hold the rated instrument and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of factors such as new information. For the rating letter, rationale and press release for these ratings, see "Annexure A" of this Shelf Prospectus. There are no unaccepted ratings and any other ratings other than as specified in this Shelf Prospectus.

LISTING

The NCDs offered through this Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on National Stock Exchange of India Limited and BSE Limited ("**NSE**" and "**BSE"** or "**Stock Exchange**"). Our Company has received an 'in-principle' approval from BSE *vide* its letter no. DCS/HB/PI-BOND/23/24-25 dated October 14, 2024 and NSE *vide* its letter no. NSE/LIST/D/2024/0320 dated October 11, 2024. NSE shall be the Designated Stock Exchange for the Issue.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated September 30, 2024 was filed with NSE and BSE, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of five days from the date of filing of the Draft Shelf Prospectus with NSE and BSE, i.e., October 05, 2024. No comments were received on the Draft Shelf Prospectus until 5:00 p.m. (Indian Standard Time) till October 09, 2024.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
TRUST INVESTMENT ADVISORS PRIVATE LIMITED 109/110, Balarama, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Tel.**: +91 22 4084 5000 **Email**: iiflhomefinance.ncd@trustgroup.in **Website**: www.trustgroup.in **Contact Person**: Hani Jalan	**IIFL CAPITAL SERVICES LIMITED (FORMERLY KNOWN AS IIFL SECURITIES LIMITED)*** 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India **Tel:** +91 22 4646 4728 **Email:** iiflhome.ncd@iiflcap.com **Website:** www.iiflcap.com **Contact Person:** Yogesh Malpani	**LINK INTIME INDIA PRIVATE LIMITED** C- 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai – 400 083 **Tel:** +91 810 811 4949 **Fax:** +91 22 4918 6060 **Email:** iiflhomefinance.ncd2024@linkintime.co.in **Investor Grievance Email**: iiflhomefinance.ncd2024@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan	**CATALYST TRUSTEESHIP LIMITED**** Registered office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038 Corporate office : Unit No-901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 **Tel**.: +91 22 4922 0555 **Email**: ComplianceCTL-Mumbai@ctltrustee.com **Website**: www.catalysttrustee.com **Contact Person**: Umesh Salvi
CREDIT RATING AGENCIES		**JOINT STATUTORY AUDITORS**	
CRISIL RATINGS LIMITED CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076 **Tel**: +91 22 3342 3000 **Email**: crisilratingdesk@crisil.com **Website**: www.crisilratings.com **Contact Person**: Ajit Velonie	**INDIA RATINGS AND RESEARCH PRIVATE LIMITED** Wockhardt Tower, West Wing, Level 4 Bandra-Kurla Complex, Bandra, Mumbai - 400 051 **Tel:** +91 22 – 4000 1700 **Email:** infogrp@indiaratings.co.in **Website:** www.indiaratings.co.in **Contact Person:** Ismail Ahmed	**S.R. Batliboi & Associates LLP, Chartered Accountants** 67, Institutional Area, Sector 44, Gurugram, Haryana - 122003 **Tel**: +91 124 681 6000 **Email**: srba@srb.in **Firm Registration Number**: 101049W/E300004	**M/s Sundaram & Srinivasan, Chartered Accountants** New No. 4, Old No. 23, C P Ramaswamy Road, Alwarpet, Chennai- 600 018 **Tel**: +91 44 2498 8762 **Email**: ramkumar@sundaramandsrinivasan.com **Firm Registration Number**: 004207S

ISSUE PROGRAMME***

ISSUE OPENS ON: AS SPECIFIED IN THE RELEVANT TRANCHE PROSPECTUS	ISSUE CLOSES ON: AS SPECIFIED IN THE RELEVANT TRANCHE PROSPECTUS

*** IIFL Capital Services Limited (formerly known as IIFL Securities Limited) is deemed to be an associate of the Issuer as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*

*** Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated August 08, 2024 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus, and relevant Tranche Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to the Issue.*

**** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of two working days and a maximum period of ten working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing relevant tranche prospectus with ROC including any extensions), as may be decided by the Board of Directors of our Company or Finance Committee thereof, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the relevant Tranche Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time). on one Working Day post the Issue Closing Date. For further details please refer to the section titled "General Information" on page 58.*

A copy of this Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 and Section 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 396.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Shelf Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Shelf Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this Shelf Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

General Terms

Term	Description
the Issuer/ our Company/ the Company/ IIHFL	IIFL Home Finance Limited, a company incorporated under the Companies Act, 1956, validly existing under Companies Act, 2013 and registered as a housing finance company with the NHB having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate Thane – 400604, Maharashtra, India.
we/ us/ our	Unless the context otherwise indicates or implies, refers to our Company
Promoter	The promoter of our Company is IIFL Finance Limited
Subsidiary	IIHFL Sales Limited, our wholly owned subsidiary which was incorporated on September 28, 2021.

Company Related Terms

Term	Description
Articles/ Articles of Association/ AOA	Articles of Association of our Company
Erstwhile Associate Company	IIFL Samasta Microfinance Limited ceased to be our associate company on June 09, 2022.
Asset Liability Management Committee or ALCO	Asset Liability Management Committee of our Company was re-constituted by the board resolution dated November 21, 2024, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
Audited Financial Statements	The Audited Financial Statements of the Company comprising of Audited Financial Statements for Fiscal 2024, Audited Financial Statements for Fiscal 2023 and Audited Financial Statements for Fiscal 2022.
Audited Financial Statements for Fiscal 2024	The Audited Consolidated Financial Statements for Fiscal 2024 and Audited Standalone Financial Statements for Fiscal 2024
Audited Consolidated Financial Statements for Fiscal 2024	The audited consolidated financial statements for Fiscal 2024 of the Company and its subsidiary comprises the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year ended March 31, 2024, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information prepared by the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Audited Standalone Financial Statements for Fiscal 2024	The audited standalone financial statements for Fiscal 2024 of the Company comprises the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2024, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information prepared by the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Audited Financial Statements for Fiscal 2023	The Audited Consolidated Financial Statements for Fiscal 2023 and Audited Standalone Financial Statements for Fiscal 2023

Term	Description
Audited Consolidated Financial Statements for Fiscal 2023	The audited consolidated financial statements for Fiscal 2023 of the Company and its subsidiary comprises the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year ended March 31, 2023, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information prepared by the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Audited Standalone Financial Statements for Fiscal 2023	The audited standalone financial statements for Fiscal 2023 of the Company comprises the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information prepared by the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Audited Financial Statements for Fiscal 2022	The Audited Consolidated Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2022
Audited Consolidated Financial Statements for Fiscal 2022	The audited consolidated financial statements for Fiscal 2022 of the Company and its subsidiary comprises the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year ended March 31, 2022, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information prepared by the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Audited Standalone Financial Statements for Fiscal 2022	The audited standalone financial statements for Fiscal 2022 of the Company comprises the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2022, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information prepared by the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Auditors/ Joint Statutory Auditors/ Current Joint Statutory Auditors	The current joint statutory auditors of our Company, i.e., S.R. Batliboi & Associates LLP, Chartered Accountants and Sundaram & Srinivasan, Chartered Accountants.
Audit Committee	Audit committee of our Company was re-constituted by the board resolution dated November 21, 2024, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
Board/ Board of Directors/ our Board/ our Board of Directors/Directors	Board of Directors of our Company or any duly constituted committee thereof
Corporate Office	The corporate office of our Company is at Plot No. 98, Udyog Vihar Phase – IV, Gurgaon 122 015, India.
CSR & Sustainability Committee	Corporate Social Responsibility Committee of our Company was constituted w.e.f. November 21, 2024 vide a resolution passed on November 21, 2024 as a result of merger of CSR Committee and ESG Committee, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
CRISIL / CRISIL Ratings	CRISIL Ratings Limited
Directors	Directors of our Company
EAD	Exposure at default

Term	Description
ECL	Expected credit loss, also referred to as impairment loss allowance
Erstwhile/ Previous Joint Statutory Auditors for FY 2022 and 2023	M.P. Chitale & Co. Chartered Accountants and Suresh Surana & Associates LLP, Chartered Accountants
Erstwhile/ Previous Joint Statutory Auditors for FY 2024	Erstwhile statutory auditor S.R. Batliboi & Associates LLP, Chartered Accountants and erstwhile statutory auditor Suresh Surana & Associates LLP, Chartered Accountants
Equity Shares	Equity shares of the Company of face value of ₹10 each
ESOP(s)	Employee stock options
Finance Committee	Finance Committee of our Company as constituted by the Board and as may be further re-constituted from time to time by Board of Directors of the Company.
Gross Loan Book	Principal outstanding of Gross Loans.
Gross NPA/GNPA	Gross Loan Book outstanding of the customers which are more than 90 days past due and other cases basis regulatory guidelines.
Gross NPA %/GNPA %	Gross NPA/Gross Loan Book
Group Company(ies)	Such companies as identified as our group companies in terms of Regulation 2(1)(r) of SEBI NCS Regulations, for the Issue, namely IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited), IIFL Facilities Services Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), IIFL Management Services Limited, Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited), Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited), 5Paisa Capital Limited, IIFL Foundation, 360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited), 360 One WAM Limited (Formerly IIFL Wealth Management Limited), 360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited).
India Ratings	India Ratings and Research Private Limited
Independent Director(s)	The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations
IT Strategy Committee	IT Strategy Committee of our Company was re-constituted by the board resolution dated November 21, 2024, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in this Shelf Prospectus and appointed in accordance with Section 203, as defined under Section 2(51) of the Companies Act, 2013
MoA/ Memorandum/ Memorandum of Association	Memorandum of association of our Company
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company was re-constituted by the board resolution dated November 21, 2024, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
Net Loan Book	Principal outstanding of Gross Loans less impairment loss allowance for Stage 3 loan assets.
Net NPA/NNPA	Gross NPAs less impairment loss allowance for Stage 3 loan assets.
Net NPA %/NNPA %	Net NPA/Net Loan Book
Net worth	Shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account], after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, as per Section 2 of the Companies Act, 2013.
Period ended September 30, 2024	The six months period from April 1, 2024 to September 30, 2024.
Preference Shares	Preference shares of the Company
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company is at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane 400 604, Maharashtra, India
Risk Management Committee	Risk Management Committee of our Company was re-constituted by the board resolution dated November 21, 2024, in accordance with applicable laws and as may be further re-constituted from

Term	Description
	time to time by Board of Directors of the Company.
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai
Shareholders	The holders of the Equity Shares of the Company from time to time
Senior Management Personnel/ SMP	Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2 (1) (iia) of the SEBI NCS Regulations, as described in "*Our Management*" on page 146.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company was re-constituted by the board resolution dated November 21, 2024, in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
Total Borrowings	Debt securities plus borrowings other than debt securities plus subordinated liabilities.
Unaudited Standalone Interim Condensed Financial Statements	The unaudited standalone interim condensed financial statements of the Company comprises the standalone condensed interim balance sheet as at September 30, 2024, the related standalone condensed interim statement of profit & loss (including Other Comprehensive Income), the standalone condensed interim statement of cash flows and the standalone condensed interim statement of changes in equity for the six-month period ended September 30, 2024 along with summary of the selected explanatory notes prepared in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
Unaudited Consolidated Interim Condensed Financial Statements	The unaudited consolidated interim condensed financial statements of the Company and its subsidiary comprises the unaudited consolidated condensed interim balance sheet as at September 30, 2024, the related consolidated condensed interim statement of profit & loss (including Other Comprehensive Income), the consolidated condensed interim statement of cash flows and the consolidated condensed interim statement of changes in equity for the six-month period ended September 30, 2024 along with summary of the selected explanatory notes prepared in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
Unaudited Interim Condensed Financial Statements	Unaudited Consolidated Interim Condensed Financial Statements and Unaudited Standalone Interim Condensed Financial Statements

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum accompanying the application form for a public issue containing such salient features of this Shelf Prospectus and relevant Tranche Prospectus as specified by SEBI
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment of the respective Tranche Issue.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the issue and allotment of NCDs to the successful Applicants pursuant to the Issue
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor/ASBA Applicant	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, and the Application Form for any Tranche Issue.
Application or ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto UPI Application Limit which will be considered as the application for Allotment in terms of this Shelf Prospectus and the relevant Tranche Prospectus.
Application Amount or Bid Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the relevant Tranche Issue or the Amount blocked in the ASBA account
Application Form or	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA

Term	Description
ASBA Form	process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of this Shelf Prospectus and the relevant Tranche Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto UPI Application Limit
Banker(s) to the Issue	Collectively, Public Issue Account Bank, Refund Bank and Sponsor Bank as specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size / Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	The basis on which NCDs will be allotted to applicants, as specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange at www.bseindia.com.
BSE	BSE Limited.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds each with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Companies; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non-Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; and • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.
Category IV (Retail Individua Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.

Term	Description
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI Master Circular.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
Consortium Agreement	Consortium Agreement to be entered into amongst the Company, Lead Managers and Consortium Members as specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium Member(s)/ Syndicate Member(s)	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium / Members of the Consortium/ Members of Syndicate (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members.
Coupon/ Interest Rate	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Credit Rating Agency(ies)	For the present Issue, the credit rating agencies, being CRISIL Ratings and India Ratings
Debenture Holder(s)/ NCD Holder(s)	The holders of the NCDs pursuant to the Issue whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements in favour of the Debenture Trustee for the NCD Holders, terms of which will inter alia govern the powers, authorities and obligations of the Debenture Trustee, in accordance with applicable law.
Debenture Trustee/ Trustee	Trustees for the NCD holders in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement dated September 27, 2024 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee.
Deemed Date of Allotment	The date on which the Board of Directors or the Finance Committee approves the Allotment of the NCDs for the relevant Tranche Issue or such date as may be determined by the Board of Directors thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code, bank account detail etc.
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com.
Designated Date	The date on which the Registrar to the Issue issues instructions for the transfer of funds blocked by the SCSBs from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of this Shelf Prospectus and relevant Tranche Prospectus following which the NCDs will be Allotted in the relevant Tranche Issue.
Designated Intermediaries	Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the

Term	Description
	Applicants in the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Master Circular.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) available on the website of the Stock Exchange at www.bseindia.com and updated from time to time.
Designated Stock Exchange	The designated Stock Exchange for the Issue, being NSE.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated September 30, 2024, filed with the Stock Exchanges for receiving public comments and with SEBI, in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Gross Loans	Loans outstanding as per IND AS.
Interest Payment Date/ Coupon Payment Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue	Public Issue by the Company of up to 3,00,00,000 secured, rated, listed, redeemable, Non-convertible Debentures of face value ₹ 1,000 each ("**NCDs**" or "**Debentures**"), aggregating up to ₹ 3,000 crore ("**Shelf Limit**") ("**Issue**"). The NCDs will be issued in one or more tranches (each being a "**Tranche Issue**") up to the Shelf Limit, on terms and conditions as set out in this Shelf Prospectus and relevant Tranche Prospectus. The Issue is being made pursuant to the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**"), the Companies Act, 2013 and rules made thereunder as amended (the "**Companies Act, 2013**") to the extent notified and the SEBI Master Circular, as amended from time to time.
Issue Agreement	The Issue Agreement dated September 30, 2024, entered between the Company and Trust Investment Advisors Private Limited and IIFL Capital Services Limited (formerly known as IIFL Securities Limited)*, the Lead Managers to the Issue read with the amendment to the Issue Agreement, dated November 27, 2024 entered between the Company and Trust Investment Advisors Private Limited and IIFL Capital Services Limited (formerly known as IIFL Securities Limited), the Lead Managers to the Issue. ** IIFL Capital Services Limited (formerly known as IIFL Securities Limited) is deemed to be an associate of the Issuer as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Documents/ Offer Documents	The Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, the Application Form, and supplemental information, if any, read with any notices, corrigenda and addenda thereto.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms as provided in the respective Tranche Prospectus.
Lead Managers	Trust Investment Advisors Private Limited and IIFL Capital Services Limited (formerly known as IIFL Securities Limited)*

Term	Description
	** IIFL Capital Services Limited (formerly known as IIFL Securities Limited) is deemed to be an associate of the Issuer as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company
Market Lot	As specified in the relevant Tranche Prospectus
Maturity Date/ Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
NCDs/ Debentures	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount up to ₹ 3,000 crore ("**Shelf Limit**") offered through the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus.
NSE/NSE Limited	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in this Issue
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date for the relevant Tranche Issue.
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for the appointment of the Public Issue Account Bank, Refund Bank and Sponsor Bank in accordance with the SEBI Master Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants, as specified for relevant Tranche Prospectus for each Tranche Issue.
Public Issue Accoun Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the relevant Tranche Prospectus for each Tranche Issue
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under the relevant Tranche Prospectus(es) as may be determined by the Company. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.
Recovery Expense Fund	A fund created by our Company with the Designated Stock Exchange in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular and regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange.
Redemption Amount	As specified in relevant Tranche Prospectus
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made as specified for each Tranche Issue.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the relevant Tranche Prospectus.
Register of NCD holders	The register of NCD holders maintained by the Issuer/RTA in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar
Registrar Agreement	Agreement dated September 27, 2024 entered into between the Issuer and the Registrar under the terms

Term	Description
	of which the Registrar has agreed to act as the Registrar to the Issue
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the Stock Exchange having nationwide terminals, other than the Members of the Consortium and eligible to procure Applications from Applicants.
Registrar to the Issue or Registrar	Link Intime India Private Limited.
Resident Individual	An individual who is a person resident in India as defined in the FEMA.
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue.
RTA Master Circular	Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents' dated May 17, 2023, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70.
Security	The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first *pari-passu*/ specified charge by way of hypothecation of identified book debts of the Company, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.0 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Shelf Prospectus, till the execution of the Debenture Trust Deed. Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see "*Terms of the Issue – Security*" on page 320.
Self-Certified Syndicate Banks/ SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other websites as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or at such other web-link as may be prescribed by SEBI from time to time.
Series/ Option	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Shelf Limit	The aggregate limit of the Issue, being ₹ 3,000 crore to be issued pursuant to the Draft Shelf Prospectus, this Shelf Prospectus, through one or more Tranche Issues.
Shelf Prospectus	This Shelf Prospectus dated November 27, 2024 filed by our Company with ROC, SEBI and the Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. This Shelf prospectus is valid for a period as prescribed under Section 31 of the Companies Act.
Specified Cities/ Specified Locations	Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yesand updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Designated Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the SEBI Master Circular and as specified in the relevant Tranche Prospectus.
Stage 1 Loan Assets	Gross Loans where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.
Stage 1 Loan Assets (%)	Stage 1 Loans Assets/ Gross Loans
Stage 2 Loan Assets	Gross Loans exposures which are 31-90 days past due and includes cases where there is a significant

Term	Description
	increase in credit risk since initial recognition but are not credit impaired.
Stage 2 Loan Assets (%)	Stage 2 Loans Assets/ Gross Loans
Stage 3 Loan Assets	Gross loan outstanding of the customers which are more than 90 days past due or are assessed as credit impaired based on whether one or more events, that have detrimental impact on the estimated future cash flows of the assets
Stage 3 Loan Assets (%)	Stage 3 Loans Assets/ Gross Loans
Stock Exchange(s)	BSE Limited and NSE Limited
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA Application	ASBA Applications through the Lead Managers, Consortium Members, the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus for each Tranche Issue.
Trading Members	Intermediaries registered with a lead broker or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of possible tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Transaction Documents	Transaction Documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, "*Material Contracts and Document for Inspection*" on page 396.
Tripartite Agreements	Tripartite agreement dated December 17, 2012, among our Company, the Registrar and CDSL and tripartite agreement dated September 9, 2010, among our Company, the Registrar and NSDL.
Trust	Trust Investment Advisors Private Limited
UPI/ UPI Mechanism	Unified Payments Interface mechanism in accordance with SEBI Master Circular and Securities and Exchange Board of India Circular on 'Usage of UPI by individual investors for making an application in public issue of securities through intermediaries' dated September 24, 2024, bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128, to block funds for application value up to UPI Application Limit submitted through intermediaries, namely the Registered Stock brokers, Consortium Members, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹ 500,000 for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time
UPI Mandate Request/ Mandate Request	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit

Term	Description
	of funds in case of allotment.
Wilful Defaulter(s)	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a person or a company who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes a company whose director or promoter is categorized as a wilful defaulter.
Working Day	Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business (provided that on any trading day of Stock Exchange if commercial banks in Mumbai are closed, it will be considered as Working Day). Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Conventional and General Terms or Abbreviations

Term/ Abbreviation	Description/Full Form
₹/ Rupees/ INR/ Indian Rupees/ Rs.	The lawful currency of the Republic of India
US$/ USD/ U.S. Dollars	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time.
ASBA	Application Supported by Blocked Amounts.
AUM/ Assets Under Management	Gross Loan Book including Direct Assignment, Co-lending and Co-origination.
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
CrPC	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EOW	Economic Offences Wing
FDI	Foreign Direct Investment

Term/ Abbreviation	Description/Full Form
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
Government	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
ICD	Inter Corporate Deposits
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
Income Tax Act/ IT Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
IWCML	IIFL Wealth Capital Market Limited
KYC	Know Your Customer
LAP	Loan Against Property
LEI	Legal Entity Identifier
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MLD	Market Linked Debentures
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
p.a.	Per annum
PAN	Permanent Account Number
PAR	Portfolio at Risk
PAT	Profit After Tax / Profit for the period
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI Master Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
RERA	Real Estate Regulatory Authority

Term/ Abbreviation	Description/Full Form
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SCRA	Securities Contracts Regulation Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as may be amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and circulars issued thereunder
SEBI Master Circular	SEBI master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, as amended
SFBs	Small Finance Banks
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
Industry report on Housing finance	CRISIL Market Intelligence & Analytics as the agency issuing the industry report titled “Industry report on Housing finance” dated October, 2024 prepared by CRISIL MI&A forming part of the Industry Overview chapter.
CRISIL MI&A	CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL)
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MICR	Magnetic Ink Character Recognition.
NPA	Non-Performing Assets
NBFC-BL/ NBFC – Base Layer	Non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-ML/ NBFC – Middle Layer	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund – Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC)
NBFC- TL / NBFC-Top Layer	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk
NBFC-UL / NBFC-Upper Layer	NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR Framework
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of

Term/Abbreviation	Description/Full Form
	asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
MSME	Micro, Small and Medium Enterprises
RBI	Reserve Bank of India.
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding the foregoing, the terms defined as part of "General Information", "Risk Factors" "Industry Overview", "Regulations and Policies", "Statement of Possible Tax Benefits", "Articles of Association", "Financial Information" and "Other Regulatory and Statutory Disclosures" on pages 58, 22, 98, 184, 86, 365, 199 and 251, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections "Our Business", "Risk Factors", "Industry Overview" and "Regulations and Policies", on pages 116, 22, 98 and 184, respectively, shall have the meaning ascribed to them hereunder.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Shelf Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “we”, “us”, “our” are to IIFL Home Finance Limited, and references to “you”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the prospective investors in this Issue. Unless stated otherwise, all references to page numbers in this Shelf Prospectus are to the page numbers of this Shelf Prospectus.

All references in this Shelf Prospectus to “India” are to the Republic of India and its territories and possessions. All references to the “Government”, “Central Government” or “State Government” are to Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Shelf Prospectus is in Indian Standard Time.

Presentation of Financial Information

The financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year” and “fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year. Unless the context requires otherwise, all references to a year in this Shelf Prospectus are to a calendar year ended on December 31 and all references to a financial year in this Shelf Prospectus are to a financial year or fiscal ended on March 31 of that particular calendar year.

The basis of presentation of the Audited Financial Information is as follows:

1. The Audited Standalone Financial Statements for Fiscal 2024 and Audited Consolidated Financial Statements for Fiscal 2024, each as at and for the year ended March 31, 2024, have been prepared in accordance with the Ind AS, as specified under Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Audited Standalone Financial Statements for Fiscal 2024 and Audited Consolidated Financial Statements for Fiscal 2024, each as at and for the year ended March 31, 2024, have been audited by our Erstwhile Joint Statutory Auditors, S.R. Batliboi & Associates LLP, Chartered Accountants and Suresh Surana & Associates LLP, Chartered Accountant and have been approved by the Board of Directors of our Company at their meeting held on May 6, 2024.
2. The Audited Standalone Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2023, each as at and for the year ended March 31, 2023 have been prepared in accordance with the Ind AS, as specified under Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Audited Standalone Financial Statements for Fiscal 2023 and Audited Consolidated Financial Statements for Fiscal 2023, each as at and for the year ended March 31, 2023, have been audited by Erstwhile Joint Statutory Auditors M.P. Chitale & Co. Chartered Accountants and Suresh Surana & Associates LLP, Chartered Accountant and have been approved by the Board of Directors of our Company at their meeting held on April 24, 2023.
3. The Audited Standalone Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2022, each as at and for the year ended March 31, 2022 have been prepared in accordance with the Ind AS, as specified under Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Audited Standalone Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2022, each as at and for the year ended March 31, 2022, have been audited by Erstwhile Joint Statutory Auditors, M.P. Chitale & Co. Chartered Accountants and Suresh Surana & Associates LLP, Chartered Accountant and have been approved by the Board of Directors of our Company at their meeting held on April 25, 2022.
4. The Unaudited Standalone Interim Condensed Financial Statements and Unaudited Consolidated Interim Condensed Financial Statements, each as at and for the six months period ended September 30, 2024 have been prepared in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 “Interim Financial Reporting” specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. These Unaudited Standalone Interim Condensed Financial Statements and Unaudited Consolidated Interim Condensed Financial Statements have been reviewed by Current Joint Statutory Auditors i.e. S.R. Batliboi & Associates LLP, Chartered Accountants and Sundaram & Srinivasan, Chartered Accountants and approved by the Board at their meeting held on November 21, 2024. The Unaudited Standalone Interim Condensed Financial Statements and Unaudited Consolidated Interim Condensed Financial Statements for the six months period ended September 30, 2024 are not indicative of full year results and are not comparable with Audited Financial Statements.

The Audited Financial Statements and the Unaudited Interim Condensed Financial Statements are included in this Shelf

Prospectus.

The auditors reports on the Audited Financial Statements and the review report on the Unaudited Interim Condensed Financial Statements are included in this Shelf Prospectus in "*Financial Statements*" on page 199.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 used in this Shelf Prospectus is derived from the Audited Financial Statements and for period ended September 30, 2024 is derived from our Unaudited Interim Condensed Financial Statements. Accordingly, the degree to which the Audited Financial Statements and Unaudited Interim Condensed Financial Statements in this Shelf Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Shelf Prospectus should accordingly be limited.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Shelf Prospectus is on a standalone basis.

Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance including Net worth, Assets under management, Total borrowings, Financial assets, Non-financial assets excluding property, plant and equipment, Total Borrowings to total assets, Trade payables, total Borrowings to total Equity Ratio, Bad debts to gross loans (together, "**Non-GAAP Measures**") and other industry metrics have been included in this section and elsewhere in this document. These non-GAAP measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Currency and Unit of Presentation

In this Shelf Prospectus, all references to 'Rupees'/'₹'/'INR'/ 'Rs.' are to Indian Rupees, the official currency of the Republic of India. Except where stated otherwise in this Shelf Prospectus, all figures have been expressed in 'in crores'. All references to 'million/million/mn.' refer to one million, which is equivalent to 'ten lakh' or 'ten lacs', the word 'lakh/lacs/lac' means 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crore'.

Certain figures contained in this Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than one decimal point to conform to their respective sources.

Industry and Market Data

Unless stated otherwise or unless otherwise requires, industry and market data used throughout this Shelf Prospectus has been obtained from the industry report titled "Industry report on Housing finance" dated October, 2024 ("**Industry report on Housing finance**") prepared and issued by CRISIL MI&A and various industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Shelf Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Certain information and statistics in relation to the industry in which we operate, which has been included in this Shelf Prospectus has been extracted from an industry report titled "Industry report on Housing finance" dated October, 2024, prepared and issued by CRISIL MI&A ("**Industry report on Housing finance**"). Please see "*Industry Overview*" on page 98 for further details.

General Risk

Investment in NCDs is risky, and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 22. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor's decision to purchase such securities.

Exchange Rates

The exchange rates for INR (₹) *vis-à-vis* of USD, as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, are provided below:

Currency	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.67	83.37	82.22	75.80

Source: https://www.fbil.org.in/#/home and https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx
The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.
In case March 31/ September 30 of any of the respective years/ period is a public holiday, the previous working day not being a public holiday has been considered.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Our customers may default in their repayment obligations and high levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, cash flows, results of operations and future financial performance.
- We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans, and that could have an adverse impact on our business, results of operations, financial condition and cash flows.
- Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity, cash flows and financial condition.
- Our Company extends loans against properties to our customers and any default by a client coupled with a downfall in the property value could result in losses to the company.
- Any change in control of our Promoters on our Company may correspondingly adversely affect our goodwill, operations and profitability.
- Any downgrade in our credit ratings may increase interest rates for raising new debt, refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.
- We are vulnerable to the volatility in interest rates, and we may face interest rate mismatches between our assets and liabilities in the future which may cause liquidity issues.
- We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and financial performance adversely.
- Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.
- We need to obtain consent from specific directors for certain reserved matters
- Our Inability to comply with the requirements stipulated by RBI.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 22.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*", "*Our Business*" and "*Legal and Other Information*" on pages 98, 116 and 227, respectively. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors, its KMPs and officers, or the Lead Managers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the Lead Managers or its respective Directors and officers, nor any of its respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors are informed of material developments between the date of filing this Shelf Prospectus with ROC and the date of receipt of listing and trading permission from the Stock Exchange for the NCDs issued pursuant to relevant Tranche Issue.

SECTION II–RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Shelf Prospectus, including the chapters "Our Business" and "Financial Statements" on pages 116 and 199, respectively, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Additional risks and uncertainties, which are currently unknown or now deemed immaterial, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations and cash flows. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

If any one of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occurs, the Company's business, financial conditions and results of operations and cash flows could suffer and, therefore, the trading price of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected and you may lose all or part of your interest and/or redemption amounts. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Shelf Prospectus. This Shelf Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Shelf Prospectus.

*This Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of several factors, including the considerations described below and elsewhere in this Shelf Prospectus. Certain information in this section includes extracts from – industry report titled "Industry report on Housing finance" dated October, 2024 ("**Industry report on Housing finance**") prepared and issued by CRISIL MI&A. Neither our Company, the Lead Managers, the Debenture Trustee, nor any other person connected with the Issue has independently verified such industry and third-party information. For more information, please see "Industry Overview" on page 98.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Unless otherwise stated or unless context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with the Audited Financial Statements and the Unaudited Interim Condensed Financial Statements as included in this Shelf Prospectus. Unless stated otherwise, financial information used in this section is on a standalone basis. For further details on the financial information used in this section, please refer to "Presentation of Financial Information" under chapter "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation." on page 17.

In this section any reference to "Company", "we" or "us" or "Our" refers to IIFL Home Finance Limited.

1. ***We have experienced significant growth in recent years and we may not be able to sustain our business growth, which may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

   We have experienced considerable growth in recent years and we have significantly expanded our operations and branch network. Our total income grew from ₹ 2,731.16 crores for Fiscal 2023 to ₹ 3,293.59 crores for Fiscal 2024, while our profit for the year grew from ₹ 802.00 crores for Fiscal 2023 to ₹ 1,026.84 crores for Fiscal 2024. Our AUM has grown from ₹ 28,511.94 crores as at March 31, 2023, to ₹ 35,498.55 crores as at March 31, 2024. For the half year ended September 30, 2024, our total income was ₹ 1,881.18 crores and our profit for the period was ₹ 566.28 crores. Our AUM was ₹ 37,098.39 crores as on September 30, 2024. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

   Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our cash flows, financial conditions, business and results of operations. Our ability to execute our growth strategies will depend, among other things, on our ability to identify key target markets correctly, manage our pricing to compete effectively, and scale up and grow our network efficiently. We will also need to manage relationships with a greater number of customers, service providers, lenders and other parties as we expand. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of customer service. Going forward, we may not have adequate processes and systems such as credit appraisal and risk management to sustain this growth. Our business depends significantly on our marketing initiatives. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact our ability to leverage our brand value. There can also be no assurance that we will be able to continue such initiatives in the future in a similar manner and on commercially viable terms. Furthermore, any adverse publicity about, or loss of reputation by us could negatively impact our results of operations, cash flows, business and financial conditions.

If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our business, prospects, financial condition, cash flows and results of operations.

Further, a number of external factors beyond our control could also affect our ability to continue to grow our business and loan portfolio, such as demand for housing loans in India, domestic economic growth, the RBI's monetary and regulatory policies, RBI Master Directions, inflation, competition and availability of cost-effective debt and equity capital.

We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Any one or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our AUM which may in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

2. ***Any negative events affecting the Indian real estate sector could adversely affect the value of the collateral for our loans, our business and result of operations.***

Our lending products include housing loans and secured business loans and affordable housing project loans. Our AUM is exposed to the real estate sector and the primary security for our mortgage business is the underlying property/ collateral. In the event the real estate sector is adversely affected due to any reason whatsoever, including without limitation, the passing of any stringent norms regarding construction, floor space index or other compliances, the value of our collateral may diminish, which may affect our cash flows, financial condition, business and results of operations in the event of a default in repayment by our clients. Also, if any of the projects which form part of our collateral are stalled for any reason for any length of time, the same may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

The primary security for the loans disbursed by us is the underlying property/collateral; the value of this security is largely dependent on housing market conditions prevalent at that time, as well the quality of the construction and the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate properties. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collateral may diminish which may affect our cash flows, financial conditions, business and results of operations. Failure to recover the expected value of collateral could, in future, expose us to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition.

These factors can also adversely affect the demand for, and pricing of, our loan portfolio in the real estate sector and may materially and adversely affect our business, results of operations, cash flows and financial condition. There can be no assurance that our real estate lending portfolio will grow, or will not decrease, in the future. Any such reduction in demand could have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, for loans advanced in the real estate sector, our ability to receive repayment and interest is dependent upon various factors, including the health of the overall economy, our borrowers' ability to repay and whether developers are able to complete their projects on time and on prevailing real estate prices. These and other factors could lead to an increase in impairment losses and our business, results of operations, cash flows and financial condition.

Property records in India are maintained at the state/district/local sub-registrar level and in local languages and are updated manually through physical records and have not been fully digitized. Therefore, property records may not be available online for inspection, may be illegible, untraceable, tampered and incomplete, may not have been updated regularly, may be inaccurate in certain respects or may have been kept in poor condition which may impede title investigations or our ability to rely on such property records. Title to land in India is often fragmented, and in many cases, land may have multiple owners. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance/title deeds and inadequate stamping and may be subjected to encumbrances that we are unaware of and that may not be apparent on the face of the relevant documentation. Any defects in, or irregularities of, title may result in a loss of development or operating rights over the land, which may prejudice our ability to realize the loan amount extended to our customers in case of a default in payment. This will compel us to write off such loans or litigate the cases with a heavy cost and an indefinite time to resolution, which will adversely affect our revenues.

Furthermore, although we have procedures in place to identify defects or irregularities in title to the properties which are made collateral to the loans offered by us to our customers, there is no mechanism to verify multiple executions on the same day with different registrars or to verify the legitimacy of such executions. Additionally, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on collateral and take certain other actions, including taking over the management of the business of the borrower, and which includes our right to transfer (in any manner) the underlying collateral after 60 days' notice to a borrower whose loan has been classified as non-performing.

Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the value of its collateral, in full or in part. The Debt Recovery Tribunal ("**DRT**") has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower. As a result, there can be no assurance that any foreclosure proceedings would not be stayed by the DRT or any other relevant authority. In addition, delays on our part to take immediate action, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers, may hinder our ability to realize the full value of security. In the event that a regulatory agency asserts jurisdiction over the enforcement proceedings, creditor actions can be further delayed. Therefore, there can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations, cash flows and financial condition.

3. ***Our inability to fully recover the collateral value or the sums due from defaulted loans promptly or entirely, could adversely affect our business, results of operations, cash flows and financial condition.***

Our mortgage product portfolio primarily consists of housing loans and secured business loans and affordable housing project loans. The underlying security of our loans is primarily mortgages. As a result, a substantial portion of our loan portfolio is exposed to events affecting the real estate sector. The demand for our home loans, in particular, is affected by movement in real estate prices, level of disposable income of customers and monetary policy rates by RBI.

In the case of our mortgages, we are exposed to the risk of decreases in real estate prices and liquidity risk. As the underlying security for us is mortgages over the customers' residential or commercial property, any significant decline in property prices can adversely affect our ability to realize the full value of loan collateral.

If any of the affordable housing project loans, are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

There can be no assurance that we will in the future be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us. Any of the foregoing could have a material adverse effect on our business, results of operations, cash flows and financial condition. Furthermore, if we are required to revalue a property which serves as collateral for a loan during a period of reduced real estate prices or if we are required to increase our provisions for loan losses, it could result in a material adverse effect on our business, results of operations, cash flows and financial condition.

We may also not be able to realize the full value of loan collateral, due to, among others, delays in foreclosure proceedings, which may be exacerbated by political instability in the states where we operate, collateral claim issues, fraudulent transfers by customers and decreases in the value of collateral. Foreclosure on collateral may also be subject to delays and administrative requirements that could result in, or be accompanied by, a decrease in the value of the collateral. We may also encounter difficulties in repossessing and liquidating collateral.

However, we cannot assure you that similar instances in the future will not have a negative impact on us or that we will be able to successfully repossess the collateral in the event of default under a loan agreement and such inability may result in adverse effects on our business, results of operations, cash flows and financial conditions.

4. ***We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.***

As a mortgage business, our results of operations, cash flows and profitability are impacted by macroeconomic factors. In particular, our Net Interest Income is affected by changes in our spread and loan receivables which in turn are impacted by changes in interest rates.

Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, aggressive pricing by competitors, deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and macro-economic environment and economic policies in India.

The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. Similarly, competition pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability.

Further, an increase in general interest rates in the economy could reduce the overall demand for housing finance and impact our growth. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, and if we are unable to do so, this could have an adverse effect on our net interest income, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

The pricing on our issuances of debt will also be negatively impacted by any downgrade or potential downgrade in our credit ratings. This would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

Our ability to manage our interest rate risk and mismatches between our assets and liabilities adequately is critical to our business and results of operations, cash flows and financial condition. We monitor our exposure to fluctuations in interest rates and the related liquidity risk primarily by categorizing our assets and liabilities in different maturity profiles (based on the behavioral maturities pattern) and evaluating them for mismatches across periods.

In a rising interest rate environment, if our interest-earning assets' yield doesn't match the increase in our cost of funds, and conversely, in a falling interest rate environment, if our cost of funds does not decrease as our assets' yield does, our Net Interest Income and Net Interest Margin could suffer. Competitive pressures may force us to lower lending rates without similar reductions in borrowing rates. While we can pass on lower borrowing rates to our customers, we may not be able to increase rates for customers with fixed-rate loans. Additionally, customers may prepay loans to capitalize on lower rates, and if we raise rates, customers with floating-rate loans may prepay their loans to seek cheaper options from other sources.

5. ***An increase in our portfolio of non-performing assets and/ or our provisions may materially and adversely affect our cash flows, financial conditions, business and results of operations.***

The Gross NPA on our Gross Loan Book was 1.63% and 1.47% as at September 30, 2024 and March 31, 2024, respectively.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended (the "**RBI Directions**"), which are applicable to us, have laid down prudential norms with regard to NPAs, including in relation to the identification of NPAs and income recognition against NPAs, though we follow Ind AS for income recognition against NPAs. There is no assurance that our NPA level will continue to stay at its current level. If the credit quality of our Loan Book deteriorates or we are unable to implement effective monitoring and collection methods, our cash flows, business, results of operations and financial condition may be adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in the future.

Further, the RBI Directions on NPAs may become more stringent than they currently are, which may adversely affect our profitability, cash flows, business, financial conditions and results of operations. The RBI Directions also prescribe the provisioning required in respect of our outstanding Loan Book. However, we follow Ind AS for provisioning as per the RBI Directions. In the event that the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms, then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve". Should the overall credit quality of our Loan Book deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. As at September 30, 2024, our Gross NPA %, of our Gross Loan Book, were 1.63% and our Net NPA% of our Net Loan Book were 1.12 %. Our provisions against Gross NPA (excluding provisions on standard assets) as at September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, were ₹ 117.24 crores, ₹ 107.29 crores, ₹ 108.19 crores and ₹ 123.50 crores, respectively, representing a specific provision coverage ratio of 31.69%, 31.28%, 27.92% and 37.59%, respectively of our Gross NPA on Gross Loan Book in those periods/years respectively. If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit for the period and adversely impact our cash flows, business, financial conditions, results of operations. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures.

A significant number of our customers are part of the low and middle income groups and are generally more likely to be affected by declining economic conditions than larger corporate borrowers. If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our cash flows, business, financial conditions and results of operation. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

We recognise impairment of financial instruments on our statement of profit and loss based on ECL (Expected Credit Loss) methodology in accordance with Ind AS. In addition to the required provision under our ECL model, we also consider the provision for some amount of overlay depending on the macro eco scenario. The determination of an appropriate level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks, all of which may be subject to material changes. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

The following table sets forth the classification of our Gross Loan Book as at September 30, 2024 and as at Financial Years ending 2024, 2023, and 2022.

(₹ in crores unless otherwise stated)

	Asset Classification as at			
	For the period ended September 30, 2024	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Gross Loan Book (A)				
Stage 1	20,831.53	21,863.30	16,623.25	14,412.66
Stage 2	1,458.90	1,076.01	1,044.74	927.58
Stage 3	370.00	342.98	387.46	328.55
Gross Loan Book	**22,660.43**	**23,282.29**	**18,055.45**	**15,668.79**
Impairment loss allowance (B)				
Stage 1	103.39	132.46	261.76	236.92
Stage 2	179.76	131.25	120.05	139.58
Stage 3	117.24	107.29	108.19	123.50
Total Impairment loss allowance	400.38	371.00	490.00	500.00
Net Loan Book (C = A – B)				
Stage 1	20,728.14	21,730.84	16,361.49	14,175.74
Stage 2	1,279.14	944.76	924.69	788.00
Stage 3	252.76	235.69	279.27	205.05
Loan Book (Net)	**22,260.04**	**22,911.29**	**17,565.45**	**15,168.79**
Gross NPA (%)	1.63%	1.47%	2.15%	2.10%
Net NPA (%)	1.12%	1.02%	1.56%	1.32%

A number of factors outside of our control affect our ability to limit and reduce non-performing assets. These factors include developments in the Indian and global economy, domestic or global turmoil, competition, changes in customer behavior and demographic patterns, various central and state government decisions (including farm loan waivers), changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by RBI, or the Government of India. These factors, coupled with other factors such as volatility in commodity markets, decrease in agriculture productivity and decline in business and consumer confidence, could impact our customers and in turn impact their ability to fulfil their obligations under the loans we extended to them. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be, and could materially adversely affect our growth prospects, cash flows, business, financial condition and results of operations. As on March 31, 2024, our Gross NPA stood at ₹ 342.98 crores and ₹ 387.46 crore as on March 31, 2023, demonstrating our commitment to maintain a healthy loan portfolio. Further, our Gross NPA (%) on our Loan Book was 1.47% as on March 31, 2024, compared to 2.15% as on March 31, 2023 demonstrate the efficacy of our credit risk management strategy besides our robust collection process. As on September 30, 2024, our Gross NPA (%) on our Loan Book stood at 1.63%.

If we are unable to manage our NPAs or adequately recover our loans, our results of operations and cash flows will be adversely affected. Our current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of our total loan portfolio. As a result, if the quality of our total loan portfolio deteriorates, we may be required to increase our loan loss reserves, which will adversely affect our financial condition, cash flows, business, and results of operations. Our customers/borrowers are from low-income groups and operate in the informal group, as a result of which they are vulnerable to external factors, including natural disasters such as floods and droughts in areas where our customers live, or worsening economic conditions or decelerating growth rates in India. Moreover, there is no precise method for predicting credit losses from the loans, and we cannot assure you that our monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If we are unable to control or reduce the level of our NPAs or poor credit quality loans, our financial condition, cash flows, business and results of our operations could be materially and adversely affected. Further, we believe that our interests are perfected and legally enforceable, they might not be deemed as such in an Indian court.

6. ***We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and financial performance adversely.***

We may also face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium -term funding sources such as bank loans, non-convertible debentures, refinancing from the NHB, commercial paper, or cash credit. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

The following table describes the ALM of our Company as on September 30, 2024:

(₹ in crores unless otherwise stated)

Particulars	up to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and up to 2 months	Over two months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
A. OUTFLOWS											
Capital	-	-	-	-	-	-	-	-	-	26	26
Reserves & Surplus	-	-	-	-	-	-	-	-	-	7,026	7,026
Bonds & Notes	7	-	-	23	-	582	692	999	1,679	574	4,555
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings	346	18	57	103	230	636	1,258	4,202	3,068	2,395	12,312
Current Liabilities & Provisions	166	146	246	88	-	-	122	-	-	120	888
Statutory Dues											
Unclaimed Deposits											
Other Outflows	-	-	-	-	-	-	-	-	-	-	-
Outflows On Account of	-	-	43	60	17	262	202	1,231	647	374	2,83

(₹ in crores unless otherwise stated)

Particulars	up to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and up to 2 months	Over two months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Off Balance Sheet (OBS) Exposure											6
TOTAL OUTFLOWS	**519**	**164**	**346**	**275**	**247**	**1,480**	**2,273**	**6,431**	**5,395**	**10,515**	**27,644**
Cumulative Outflows	**519**	**683**	**1,029**	**1,304**	**1,550**	**3,030**	**5,303**	**11,734**	**17,129**	**27,644**	
B. INFLOWS											
Cash (In 1 to 30/31 day time-bucket)	2	-	-	-	-	-	-	-	-	-	2
Remittance in Transit											-
Balances With Banks	441	-	1	2	17	306	77	88	-	-	932
Investments	6	0	0	15	0	353	8	54	50	81	567
Advances (Performing)	287	246	313	407	424	843	2,127	6,306	4,145	7,212	22,310
Gross Non-Performing Loans (GNPA)	-	-	-	-	-	-	-	-	-	242	242
Inflows From Assets On Lease											
Fixed Assets (Excluding Assets On Lease)	-	-	-	-	-	-	-	-	-	9	9
Other Assets :	3	2	38	9	9	23	117	141	92	311	746
Security Finance Transactions	-	-	-	-	-	-	-	-	-	-	-
Inflows on Account of Off Balance Sheet (OBS) Exposure	-	-	150	4	-	-	-	-	1,000	1,682	2,836
TOTAL INFLOWS	739	248	503	437	450	1,525	2,328	6,588	5,288	9,537	27,644
C. Mismatch (B - A)	220	84	157	162	204	45	56	157	-107	-977	
D. Cumulative Mismatch	220	304	461	624	827	872	928	1,085	977	0	
E. Mismatch as % of Total Outflows	42%	51%	45%	59%	83%	3%	2%	2%	-2%	-9%	
F. Cumulative Mismatch as % of Cumulative Total Outflows	42%	45%	45%	48%	53%	29%	17%	9%	6%	0%	

7. ***We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, cash flows, results of operations and financial condition.***

Our liquidity and ongoing profitability are, to a large extent, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements have historically been met through a combination of borrowings from a well-diversified base of domestic lenders. Our finance costs were ₹ 729.49 crores, ₹ 1,327.78 crores ₹ 1,182.09 crores and ₹ 1,062.48 crores for the period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively. Our business growth, liquidity and profitability depend and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources as well as our financial performance, capital adequacy levels, credit ratings and relationships with lenders. As a financial services company, we have to adhere to certain regulatory requirements while obtaining financing. Any adverse developments or changes in applicable laws and regulations, which limit our ability to raise funds through term loans or through private placements of non-convertible debentures, can disrupt our sources of funding and as a consequence, could have a material adverse effect on our liquidity and financial condition.

Our Total Borrowings were ₹ 17,683.61 crores as at March 31, 2024 out of which ₹ 3,306.47 crores were to mature or repaid in less than a year. Our total borrowings were ₹16,867.54 crores as at September 30, 2024. In order to meet these borrowings obligations, we will either need to refinance, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise additional retained earnings or generate sufficient operating cash flows to retire the borrowings. There can be no assurance that our business will generate sufficient cash to enable it to service its existing borrowings or to fund its other liquidity needs.

Our ability to borrow funds and refinance existing borrowings may also be affected by a variety of factors, including deterioration in our financial performance or profitability, regulatory policies impacting the ability of lenders to lend to certain sectors such as NBFCs and HFCs, liquidity in the credit markets, the strength of the lenders from which we borrow, the amount of eligible collateral, credit rating downgrade and accounting changes that may impact calculations of covenants in our financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our cost of funds and make it difficult for us to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our liquidity and financial condition.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations, cash flows and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us or refinancing and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, results of operations, cash flows and financial condition would be materially and adversely affected.

8. ***Our Company is subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.***

As at September 30, 2024, our total borrowings were ₹16,867.54 crores, and in order to fund our business growth, we will continue to incur additional indebtedness in the future.

Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. There are restrictive covenants in the agreements we have entered into with our lenders that limit our ability to undertake certain types of transactions, any of which could adversely affect our business, cash flows, results of operations and financial condition.

These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

We have applied to our lenders/ trustees and we have received consents from our lenders/ trustees (as applicable) in relation to this Issue.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition, cash flows and results of operations. Due to moratorium pursuant to Covid-19 we witnessed in few instance the different methodology of amortization schedule was followed by the banks and also in some case the confirmation/communication for the final grant of moratorium was delayed by the bank due to lack of clarity which resulted in our Company having repaid the principal and interest on a date later than the due date determined by the bank, immediately on receiving communication from the bank regarding grant of moratorium.

If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

9. ***We are subject to periodic inspections by the NHB, RBI and SEBI. Non-compliance with the SEBI's and NHB's observations made during any such inspections could adversely affect our reputation, business, financial condition, cash flows and results of operations.***

Prior to the notification of the NHB Act Amendments, we were subject to periodic inspection by the NHB under the NHB Act, 1987 ("NHB Act"), wherein the NHB inspected our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information, which we may have failed to furnish when called upon to do so. However, pursuant to the NHB Act Amendments, the RBI will also have the power to conduct such inspections, in addition to the NHB. In its past inspection reports, the NHB has (a) identified certain deficiencies in our operations, (b) made certain observations in relation to our operations during its periodic inspections and (c) sought certain clarifications on our operations relating to (i) non-submission of a board approved business plan, relating to compliance with the criteria for qualifying as a HFC to NHB; and (ii) non-compliance of Company's investment policy with the provisions of the NHB Act.

Further, a show cause notice was served by National Housing Bank ("NHB") to us dated September 17, 2020 pertaining to the non-compliance Policy Circular 55. The notice alleged that the rate of interest was reduced by the Company on case-to-case basis either based on customer request or it was proactively offered by the Company to select customers. The company has therefore adopted a non-transparent approach for the change in interest rates. This was stated to contravene the provision of Policy Circular 55 which provides that revision in the rates of interest with individual borrowers as against to an entire class, would render the accounts to be classified as re-negotiated or rescheduled accounts. The Company in its reply dated February 11, 2021 mentioned that the observation made by NHB had not considered Para 3 read with Para 2 of the Circular No. 55, that a loan account shall only be classified as rescheduled or renegotiated only when the repayment capacity of the borrower is adversely effected and the reset of rate of interest (in case of a floating rate of interests) leads to extension in payment tenure. It has also been clarified that in case of reduction of rate of interest for good customers, there will be no extension or deferment of EMIs in case of reduction of rate of interest as mentioned in Circular No. 55. While we have replied to the show cause notice, we were directed to pay a penalty amount of ₹ 0.19 crores along with a GST amount of ₹. 0.03 totaling to ₹ 0.22 crores by February 12, 2021. We have made the payment of the penalty under protest.

As of the date of this Shelf Prospectus, we have no pending penalty from NHB for the above non-compliances nor have we received any further communication from NHB in relation to the show-cause notices and our Company, vide its letters, has responded to NHB concerning its observations and has provided information and clarifications sought by the NHB.

In the past our Company has received show cause notices from NHB and NHB has also levied penalties on our Company. Our Company believes that such penalties have not caused any material adverse financial impact on it. For details of show cause notices, please refer to "*Outstanding Litigations and other Matters*" on page 227.

Further, our Company received letter dated February 09, 2024, bearing the reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/5808/1 from SEBI ("SEBI Letter") in connection with incentives provided to certain category of investors of the non-convertible debentures issued by the Issuer in accordance with the terms stipulated under certain public issuances of debentures between August 9, 2021, until November 30, 2023. SEBI pursuant to its notice dated June 14, 2024, addressed to our Company, by issuing a notice for summary settlement of the probable proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 as provided in the SEBI Letter and raised a remittance for the settlement amount of ₹ 6,25,000. Our Company had filed a settlement application dated July 03, 2024, and paid the corresponding processing fees for the settlement application and remitted the settlement amount of ₹ 6,25,000. The settlement order is pending.

While we attempt to be in compliance with all regulatory provisions applicable to us, in the event that we are unable to comply with the observations made by the NHB in the past or comply with NHB's or RBI's directions at any time in the future, we could be subject to penalties and restrictions which may be imposed by the NHB or RBI. Imposition of any penalty or adverse finding by the NHB or RBI during any future inspection may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

10. ***Our erstwhile joint statutory auditors had included certain emphasis of matter in the auditor's report on the audited standalone financial statements and audited consolidated financial statements as at and for year ended March 31, 2022.***

Our erstwhile joint statutory auditors had included certain emphasis of matter in the reports on our audited consolidated financial statements as at and for year ended March 31, 2022, with respect to the note included in such audited consolidated financial statements on the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics which are highly dependent on uncertain future developments. Our erstwhile joint statutory auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 199.

Our erstwhile joint statutory auditors had included certain emphasis of matter in the reports on our audited standalone financial statements as at and for year ended March 31, 2022, with respect to the note included in such audited consolidated financial statements on the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics which are highly dependent on uncertain future developments. Our erstwhile joint statutory auditors have not modified their opinion in respect of this matter. For details of such note see "*Financial Information*" on page 199.

There can be no assurance that similar matters of emphasis will not form part of auditors report on financial statements for future financial periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

11. ***We have had negative cash flows in the past including negative cash flows from operating activities in Fiscal 2024, 2023 and 2022 and negative cash flows from investing activities in Fiscals 2024, 2023 and 2022, and it is possible that we may experience negative cash flows in the future which could adversely affect our cash flow requirements, our ability to operate our business and implement our growth plans, thereby affecting our financial performance.***

We have had negative cash flows from operating activities in Fiscals 2024, 2023 and 2022 and investing activities in Fiscals 2024, 2023 and 2022. The table below sets forth selected information from our statements of cash flows in Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(in ₹ crore, unless otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash (used in) / generated from operating activities	(4,328.24)	(1673.65)	(100.30)
Net cash (used in)/ generated from investing activities	923.84	(874.61)	(202.28)
Net cash (used in)/ generated from financing activities	2,547.30	2,777.79	1,288.98

We cannot assure you that we will not experience negative cash flows in the future. If we continue to experience such negative cash outflows in the future, this could adversely affect our business prospects, financial condition, cash flows, and results of operations.

12. ***Our erstwhile joint statutory auditors have reported a statement on certain matters specified in Companies (Auditors Report) Order, 2020 ("the Order") as an annexure to the main audit report in respect of Audited Consolidated Financial Statements for Fiscal 2024 and Audited Standalone Financial Statements for Fiscal 2024 and with respect to their auditors report under heading legal and regulatory requirements in the erstwhile joint statutory auditor's audit report in respect of the Audited Consolidated Financial Statements for Fiscal 2024 and Audited Standalone Financial Statements for Fiscal 2024, which were prepared and modified, which may affect our future financial statements.***

Our erstwhile joint statutory auditors had reported a statement included as an annexure to the auditors report dated May 6, 2024 on the Audited Standalone Financial Statements for Fiscal 2024, a statement on certain matters specified in the Companies (Auditors Report) Order, 2020, which was modified to indicate that except various loans accounts where there are delays or defaults in repayment of principal and/or interest as at the balance sheet date, the other parties are regular in repaying the principal amounts and in payment of interest, as applicable.

Our erstwhile joint statutory auditors had reported a statement included as an annexure to the auditors report dated May 6, 2024 on the Audited Consolidated Financial Statements for 2024, a statement on certain matters specified in the Companies (Auditors Report) Order, 2020, which indicated the qualifications or adverse remarks for clause (iii) (c) for the Company related to various loan accounts where there were delays or defaults in repayment of principal and/or interest as at balance sheet date and for clause (vii) (a) for its subsidiary related to significant delays in payment of professional tax for certain states.

For further details, please see "*Financial Information*" on page 199. There can be no assurance that our Joint Statutory Auditors will not include similar comments in the audit reports to our audited financial statements in the future, or that such remarks will not affect our financial results in future fiscal periods.

13. ***Any downgrade in our credit ratings may increase interest rates for raising new debt, refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. For details of our current credit ratings, see "*Our Business – Credit Ratings*" on page 137. Any downgrades in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, cash flows and financial condition.

14. ***We may experience difficulties in expanding our business or pursuing new business opportunities in new regions and markets.***

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business and pursue new business opportunities in new regions and markets. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers.

Our present and future business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. We may not be able to expand our current operations or pursue new business opportunities, which may adversely affect our business prospects, financial condition, cash flows and results of operations.

15. ***We may have to comply with stricter regulations, directions and guidelines issued by regulatory authorities in India, including the NHB and RBI, which may increase our compliance costs, divert the attention of our management and subject us to penalties.***

We are regulated principally by and have reporting obligations to the NHB and the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's housing finance sector.

The laws and regulations governing the housing finance industry in India have become increasingly complex and cover a wide variety of issues. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations.

Moreover, new regulations may be passed that restrict our ability to do business. Further, these regulations are subject to frequent amendments and depend upon government policy. We cannot assure you that we will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business, cash flows and results of operations may be materially and adversely affected.

Further, pursuant to the NHB Act Amendments which came into force on August 9, 2019, and read with the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, amongst others, (i) existing exemptions available to HFCs under the RBI Act have been withdrawn and accordingly the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (ii) the RBI has the power to regulate by specifying conditions or prohibit the issue by any HFC which is a company of any prospectus or advertisement soliciting deposits of money from the public. The NHB Act Amendments also provide for certain powers to be exercised by the RBI concurrently with the NHB, such as the power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 – IA, 45 -IB and 45 – IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

On June 17, 2020, the RBI released proposed changes to be undertaken in the regulatory framework for HFCs post the transfer of regulation of HFCs from NHB to the RBI with effect from August 9, 2019, for public comments ("**Draft Framework**"). These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio, and securitisation of NBFCs to HFCs.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**")- this framework has been replaced by RBI with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 100 million to ₹ 200 million; and (c) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

Further, pursuant to the Revised HFC Framework, the NBFC-ND-SI Directions have been made applicable on various aspects including loan against security of shares and gold jewellery, securitisation transactions, managing risk and code of conduct in outsourcing, liquidity risk management framework and liquidity coverage ratio.

Activities of HFCs are primarily regulated by the RBI and supervised by the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Accordingly, there may be further scrutiny and instructions from the RBI in relation to the regulation of HFCs. If we fail to comply with such requirements, we may be subject to penalties or compounding proceedings.

Further, pursuant to recent notification dated November 18, 2019, issued by the Ministry of Corporate Affairs, certain prescribed non-banking finance companies (which include HFCs) with asset size of ₹ 500 crore or more, as per last audited balance sheet have been notified as a category of financial service providers ("**Notified FSPs**"). The Ministry of Corporate Affairs has also issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, in terms of which the RBI may initiate insolvency and liquidation proceedings under the IBC against Notified FSPs (which includes our Company) for a 'default' in terms of the IBC.

If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Any changes in the existing regulatory framework, including any increase in the compliance requirements, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Such an increase in costs could have an adverse effect on our business, prospects, financial condition, cash flows and results of operations. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

16. ***Our Company, Directors, Promoter, and group companies are involved in certain legal and other proceedings. Any final judgment awarding material damages against us could have a material adverse impact on our future financial performance and our stockholders'.***

We, our directors, our promoters and group companies, are currently involved in litigations (including civil or criminal, consumer and tax related proceedings). These proceedings are pending at different levels of adjudication before various forums including courts and tribunals. The majority of these cases arise in the normal course of business and we believe, based on the facts of the cases and consultation with counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance or stockholders' equity. We estimate the probability of losses that may be incurred in connection with legal and regulatory proceedings as of the date on which our standalone financial statements are prepared. We recognize a provision when we have a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. We determine the amount of provision based on our estimate of the amount required to settle the obligation at the balance sheet date, supplemented by our experience in similar situations. We review provisions at each balance sheet date and adjust them to reflect current estimates. In cases where the available information indicates that a loss is reasonably possible but the amount of such loss cannot be reasonably estimated, we make a disclosure to this effect in the standalone financial statements. In certain instances, present and former employees have instituted legal and other proceedings against us alleging irregularities. When there is only a remote risk of loss, we do not recognize a provision nor do we include a disclosure in the standalone financial statements.

There can be no assurance that a significant portion of these disputes will not be determined against our Company or that our Company will not be required to pay all or a portion of the disputed amounts or that it will be able to recover amounts for which our Company has filed recovery proceedings. In addition, even if our Company is successful in defending such cases, it will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial. Further, there can be no assurance that similar proceedings will not be initiated against our Company in the future.

A summary of the outstanding proceedings involving our Company, Directors, Promoter and Subsidiaries in accordance with requirements under the SEBI NCS Regulations, as disclosed in this Shelf Prospectus, to the extent quantifiable, have been set out below:

(₹ in crores unless otherwise stated)

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved
Company						
By the Company	14*	0	0	0	0	2.55
Against the Company	30	3	3	0	0	10.42
Directors						
By the Directors	0	0	0	0	0	0
Against the Directors	10	0	0	0	4	27.81
Promoters						
By the Promoter	3	0	0	0	4	322.71
Against the Promoter	1**	25	2	1	3	327.90
Subsidiaries						
By the Subsidiaries	0	0	0	0	0	0
Against the Subsidiaries	0	0	0	0	0	0

**The cases disclosed here do not include the first information reports registered by the Company, its Promoter and its Subsidiaries in the ordinary course of business under Section under section 138 of the Negotiable Instruments Act against its customers. For further details in relation to legal proceedings, see the section titled "Outstanding Litigations and Other Matters" on page 227.*

***As on date of this Shelf Prospectus, there are certain common legal proceedings between our Promoter, Directors and Group Companies, accordingly the number of litigations involving our Promoter (mentioned in the table above) may vary. For details in relation to the legal proceedings involving of our Promoter, please refer to section titled "Outstanding Litigation and Other Matters" on page 227.*

17. ***Certain of our group companies are involved in regulatory proceedings or have received notices or administrative warning letters from SEBI in the ordinary course of their business. Any adverse orders in such proceedings or pursuant to such notices may result in monetary penalties or administrative warnings or suspension or debarring or cancellations of registrations of the respective entities. While there is no monetary impact on our Company,***

we may face adverse reputational impact on account of orders or penalties against entities using the IIFL brand.

Certain of our group companies are SEBI registered intermediaries. In the ordinary course of their respective business, these entities have received and may in the future receive notices or administrative warnings from various regulators. Our group companies are also involved in litigation and regulatory proceedings in the ordinary course of their business. For instance, IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* and 360 One WAM Limited (*formerly IIFL Wealth Management Limited*) have in the past three financial years settled the following matters, without admission of guilt in terms of the SEBI Settlement Regulations: (i) in terms of a show cause notice dated April 16, 2021 in the matter of alleged manipulation of the reference price considered for execution of block deals in the shares of Alkem Laboratories Limited during April 1, 2019 to September 30, 2019, IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*, has opted for a settlement and has paid ₹ 2.22 crore towards settlement fees; (ii) in terms of a show cause notice dated June 16, 2022 in respect of alleged facilitation of fraudulent transactions in illiquid stock options on BSE Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), has opted for a settlement and has paid ₹ 0.01 crore towards settlement fees; and (iii) in terms of a show cause notice was received from SEBI in May 2021 by 360 ONE WAM Limited (formerly IIFL Wealth Management Limited) with respect to certain trades executed as a stock broker on behalf of a client in Alkem Laboratory shares in August 2019, which SEBI alleged were done to manipulate the price to facilitate a block deal. Settlement proceedings were initiated by 360 ONE WAM Limited in terms of the Securities and Exchange Board of India (Settlement Proceeding) Regulations, 2018. The matter was settled by payment of Settlement fees of ₹3.12 Crores without acceptance of guilt, and SEBI has closed the matter by issuing a settlement order dated July 8, 2022. Further, SEBI had initiated two enquiry proceedings dated July 4, 2022 and July 18, 2022 as well as two adjudication proceedings dated October 28, 2021 against IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 pursuant to SEBI's observations from six inspections conducted by SEBI during the period between April 1, 2011 to January 31, 2017. The observation letter issued pursuant to the inspections indicated failure of segregation of own funds from clients' funds, misuse of credit balance of clients' funds for the benefit of the clients having debit balance and improper designation of the client bank account. During the period of three years beginning the date of conclusion of the onsite inspection, three supplementary reports were issued in this matter by SEBI. Consequently, SEBI had passed two adjudication orders dated May 20, 2022 and May 30, 2022, imposing a penalty aggregating to ₹ 2.00 crore on IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* and a separate order dated June 19, 2023 was passed in the enquiry proceedings whereby IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* was banned on taking up / onboarding any new client for a period of two years in respect of its business as a stockbroker. IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* filed an appeal against the SEBI order before SAT. SAT vide its order dated December 07, 2023 passed a common order and partly allowed the appeals and set aside the ban on taking up / onboarding any new client for a period of two years in respect of its business as a stockbroker and also reduced penalty to ₹ 0.20 crore. SEBI has filed an appeal against the SAT order before the Supreme Court of India and the matter is currently pending before the Supreme Court of India.

Further, few of our group companies have also received notices and administrative warning letters in the ordinary course of business from various regulators, including notice advising them to submit their compliance with the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 in relation to the "*fit and proper criteria*". The constitutional validity of Schedule II of Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as mentioned in the said notice has been challenged before the Bombay High Court and is presently pending. These notices may result in regulatory action or litigation in the future. Further, one of our group companies, IIFL Commodities Limited's application for registration with SEBI was rejected and it has been debarred from making fresh application, for the period 6 months or complete acquittal by the courts pursuant to the chargesheet or FIR filed by/with EOW, whichever is earlier. The appeal is preferred before the Securities Appellate Tribunal and the same is pending.

Further, in respect of a writ petition filed by Vishvanidhi Dalmia before the Bombay High Court seeking directions under the Maharashtra Protection of Investors Deposits Act, 1999, the Home Department, Government of Maharashtra, issued a notification dated April 04, 2024 under Maharashtra Protection of Investors Deposits Act, 1999, to attach the properties of IIFL Commodities Limited to the extent of brokerage or commission received in respect of unsettled trades viz. ₹ 0.33 crore, in the said matter.

While there is no monetary impact on our Company, we may face adverse reputational impact on account of orders or penalties against entities using the IIFL brand.

18. ***We have geographic concentration in certain states and therefore are dependent on the general economic conditions and activities in these states.***

We have presence in 18 states and 2 union territory and as at September 30, 2024, out of which 384 branches are in

18 states and 3 branches in 2 union territories. We conducted our operations through 387 branches in India, of which 323 branches were located in Delhi NCR, Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Tamil Nadu. As at September 30, 2024, 23.06% of our AUM originated in Delhi NCR, 18.86% of our AUM originated in Maharashtra.

The real estate and housing finance markets in these states may perform differently from and may be subject to market conditions that are different from, the housing finance markets in other regions of India. In the event of a regional slowdown in the economic activity in these states or any other developments including health epidemics, political unrest, disruption or sustained economic downturn that make our products in these states less beneficial, we may experience an adverse impact on our financial condition, cash flows and results of operations, and might require us to incur significant expenditure and change our business strategies, which are largely dependent on the performance and other prevailing conditions affecting the economies of these states. The occurrence of or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, cash flows and financial condition.

The market for our products or general business conditions in these states may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products will grow or will not decrease in the future in these states.

Further we are exposed to certain political, regulatory and concentration of risks and therefore plan to expand into newer geographic locations. Due to the nature of operations, we are exposed to political, regulatory and concentration risks. We believe a mitigation to this is to expand our geographical reach and we are consequently expanding operations in different geographies.

If we are not effectively able to manage such operations and expansion, we may lose money invested in such expansion, which could adversely affect our business, cash flows, financial conditions and results of operations.

19. ***There are outstanding legal proceedings against our group companies, if determined, could have a material adverse impact on our business, cash flows, results of operations and financial conditions.***

There are certain outstanding legal proceedings against our group companies pending at various levels of adjudication before courts, tribunals, authorities and appellate bodies. There can be no assurance that these legal proceeding will be decided in favour of our group companies. Decisions in any of such proceedings adverse to our interests may have a material adverse effect on our business, future financial performance, cash flows and results of operations. If the courts or tribunals rule against our group companies, we may face monetary and/ or reputational losses. Furthermore, we may also not be able to quantify all the claims in which our group companies are involved. For further details, please refer to "*Outstanding Litigations and Other Matters- Litigations involving our Group Companies*" on page 237.

20. ***We may not be able to maintain our capital adequacy ratio, which could adversely affect our business.***

We must adhere to regulations concerning the capital adequacy, liquidity coverage and principal business criteria ratios of HFCs, as periodically outlined by RBI. The RBI Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital.

Pursuant to RBI regulations, HFCs are currently required to maintain a minimum capital to risk (weighted) assets ratio ("**CRAR**") consisting of Tier I and Tier II Capital which collectively shall not be less than 15% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As at September 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022, our CRAR (%) was 48.95%, 42.84%, 47.28% and 30.48% respectively. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital adequacy ratios.

Although we have historically complied with the CRAR ratio requirement, there is no assurance that we can continue to do so. Any failure in maintaining the CRAR ratio within regulatory threshold could negatively impact our business, results of operations, cash flows, and financial condition.

Further, the NHB may increase its current CRAR requirements or risk weight for assets, which may require us to raise additional capital. As we grow, we will need to obtain more Tier I and Tier II capital and meet our liquidity requirements to stay compliant with regulations. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.

21. ***Any non-compliance with mandatory anti-money laundering, combating-terrorism financing and know your customer laws could expose us to liability and harm our reputation.***

In accordance with the requirements applicable to our Company, we are mandated to comply with antimony laundering ("**AML**"), combating-terrorism financing ("**CTF**") and know your customer ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all relevant AML, CTF and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money-laundering and terrorism financing activities, there may be instances where we collected information that may be used by other parties in attempts to engage in money-laundering, terrorism financing and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes, we are required to collect and report certain information regarding U.S. persons having accounts with us.

While we have not had instances of breach of any applicable AML, CTF or KYC regulations and although we consider that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance (including FATCA compliance), and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit – India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

We are required to undertake customer due diligence procedures, including by means of Aadhar number, verification of place of business/ employment or residence, as applicable, in accordance with the Master Direction – Know Your Customer (KYC) Direction, 2016 issued by RBI, as updated from time to time, and verify details with the NHB's caution list, as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of valuation reports and title reports with respect to the property secured, as applicable. We also undertake a valuation of their collateral. Any failure to comply with the applicable laws relating to Aadhar or otherwise may expose us to penalties and regulatory scrutiny which may damage our reputation and lead to loss of customer confidence which could have a material adverse impact on our business, results of operations, cash flows and financial condition.

22. ***We may not be able to obtain, renew or maintain statutory and regulatory permits and approvals required to operate our business, which may materially and adversely affect our business, results of operations, cash flows and financial condition.***

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India for carrying out our business. This includes registration with the NHB for carrying out business as an HFC, our legal entity identifier code from Legal Entity Identifier India Limited as well as maintaining licenses under various applicable national and state labour laws in force in India for some of our offices and employees. While we currently possess or have applied for renewals of certain licenses, including shops and establishment licenses for some of our branches, there can be no assurance that the relevant authorities will renew these in the anticipated timeframe, or at all. In addition, we may apply for more approvals. We cannot assure you that we will be able to maintain the conditions required to retain all our licenses.

Moreover, we cannot assure you that approvals and licenses currently held by us would not be suspended or cancelled or withdrawn in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Additionally, failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations and may have a material adverse effect on our business, results of operations, cash flows and financial condition.

23. ***Our investments are subject to market and credit risk. Any decline in value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Some of our investments, which primarily include government securities, T-bills, liquid/debt mutual funds and certificates of deposits are subject to market risks.

The value of these investments as well as future investments depend upon several factors beyond our control, including the domestic and international economic and political scenario, volatility in interest rates and securities market, inflationary expectations and the RBI's monetary policies. Further, investment in debt mutual funds and fixed deposits also carry credit risk and any inability of the counterparty in repaying the funds invested in timely manner may adversely affect our business, results of operations, cash flows and financial condition. Any decline in the value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.

24. ***A majority of our retail home loan portfolio may be adversely affected by various factors such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies of our customers. These factors could lead to increased customer defaults, leading to an increase in the levels of our non-performing assets and possible fall in the rate of loan portfolio expansion.***

Our portfolio of products primarily consists of retail loans, which include a range of individual housing loans and loans against property.

In particular, self-employed non-professional customers are often considered to be higher credit risk customers due to their potential to be more exposed to fluctuations in cash flows from income, business failure, insolvency and their increased exposure to adverse economic conditions generally, death or permanent incapacitation. To the extent we are not able to successfully manage the risks associated with lending to these customers, it may become difficult for us to make recoveries on these loans. Salaried customers may also be adversely affected by various factors such as lack of liquidity, recession in the industry, loss of employment or personal emergencies, death or permanent incapacitation. We also face the risk associated with insufficient coverage of credit-linked insurance for life, property, or in cases of permanent incapacity. The lower insurance coverage amount may adversely impact our ability to fully recover loan exposures.

Furthermore, we may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates, which could also lead to an increase in the levels of our non-performing assets and possible decline in the rate of loan portfolio expansion. An increase in delinquency rates could result in a reduction in our interest income and as a result, lower revenue from our operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans. This may have an adverse effect on our business, results of operations, cash flows and financial condition.

In relation to our AUM, we also engage in co-origination arrangements with other HFCs, NBFCs and banks. Under such co-origination agreements, while the senior lender sources and services the customers, the underwriting responsibilities are independently undertaken by both entities involved, thus sharing risks and returns in proportion to their respective loan contributions. Further, both entities adhere to relevant regulatory requirements and exercise due diligence in sanctioning and fulfilling obligations associated with these loans. These arrangements expose us to increased credit risk and dependency on the financial health and practices of third-party lenders. While there has been no such instance in the past, failure by these partners to adhere to agreed-upon lending standards or regulatory requirements could lead to higher loan defaults and potential disputes, adversely affecting our results of operation, financial condition and reputation in the market. Additionally, any significant changes in regulatory frameworks governing co-origination practices could impose new compliance challenges, further impacting our operational flexibility and profitability.

25. ***We rely significantly on our information technology systems for our business and operations. Failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows and financial condition.***

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting and other data processing systems, management information systems and our corporate website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services. We may also face risks relating to our migration to a new IT infrastructure.

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, customer applications and interfaces may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and to us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex -filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; (d) ransomware – a malware which threatens to block or publish data unless a ransom is paid and (e) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. In addition, due to the recent social distancing measures and the lockdown imposed by the government, there has been a recent increase in electronic transactions which increases the risk of cyber-attacks. The intention of these attacks could be to steal our data or information, or to shut down our systems and only release them for a fee. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency.

Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations, cash flows and financial condition.

26. ***We may not be able to obtain, renew or maintain statutory and regulatory permits and approvals required to operate our business may materially and adversely affect our business, cash flows, financial conditions and results of operations.***

Our operations are subject to extensive government regulation, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. These include registration with the NHB for carrying out business as an HFC. We are also required to maintain licenses under various applicable national and state labor laws in force in India for some of our offices and with regard to some of our employees. While we currently possess or have applied for renewals of certain licenses, including shops and establishment licenses for some of our branches, there can be no assurance that the relevant authorities will renew these in the anticipated timeframe, or at all. In addition, we may apply for more approvals.

A majority of these approvals are granted for a limited duration and are subject to numerous conditions. We cannot assure you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Additionally, failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

27. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements and compliance with applicable laws.***

Our ability to pay dividends will depend on profits earned during the financial year, capital adequacy ratio, future capital requirements, working capital requirements, capital expenditure, regulatory restrictions and restrictive covenants of our financing arrangements. Any determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profits earned during the financial year, capital adequacy ratio, future capital requirements, and any other factors and material events which the Board may consider. Additionally, our ability to pay dividends may also be restricted by regulatory restriction and the terms of financing arrangements that we may enter.

Furthermore, no dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

28. ***We depend on third-party selling agents for customer referrals, predominantly of secured business loans, who do not work exclusively for us.***

We rely on an external distribution network of intermediaries like channel partners, aggregators, direct selling agents ("**DSAs**"), third party agents and connectors, often individual proprietors and self-employed professionals for various tasks. These include attracting potential customers, collecting loan applications, marketing our financial products, and coordinating with our approved developers and builders to offer suitable options to potential customers based on their financial needs.

The contracts with these intermediaries are typically non-exclusive. Further, the compensation we provide to them are variable and based on the commercial terms and targets agreed upon with each intermediary. There can be no assurance that this external distribution network will consistently bring us a significant number of customers or meet the monthly or similar periodic targets set in their contracts. The loss of this network or inability to renew the contracts with these intermediaries or non-exclusive nature of their services may, in future, have an adverse effect on our business, results of operations, cash flows and financial condition.

29. ***We assign a portion of our loan assets to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned to banks and other institutions may adversely impact our financial performance and/or cash flows.***

As part of our means of raising and/or managing our funds, we assign a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In Fiscals 2022, 2023 and 2024 and period ended September 30, 2024, our fresh assignment of loan assets at book value was ₹ 2,745.58 crore, ₹ 2,274.81 crore, ₹ 2,485.19 crore and ₹2,193.63 crore, respectively. Any change in statutory and/or regulatory requirements in relation to assignments by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment transactions. The commercial viability of assignment transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include:

- Prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the bank;
- Minimum holding period or 'seasoning' and minimum retention requirements of assignment loans; and
- Assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed base rate of such bank plus 8% per annum.

Any adverse changes in the policy and/or regulations in connection with the assignment of assets by HFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting HFCs or the purchasers of assets, would affect the assignment market in general and our ability to assign our assets. In addition, a decline in demand for assignment would adversely affect our ability to assign our assets.

30. ***We may face difficulties and incur additional expenses in operating in Tier 2 cities and Tier 3 cities, where infrastructure may be limited.***

We primarily serve customers in EWS and LIG group in Tier 2 cities and Tier 3 cities in India along with customers from suburbs of Tier 1 cities, where infrastructure may be limited, particularly for transportation, electricity and internet bandwidth. At our branch offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, and implementing technological measures. We may also face increased costs in conducting our business and operations and implementing security measures. We cannot assure you that such costs will not increase in the future as we expand our branch network in rural and semi urban markets, which could adversely affect our profitability.

31. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to developing our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Business – Risk Management Framework*" on page 138. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, and any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. For details, see " - *Any increase in the levels of NPAs in our AUM, for any reason whatsoever, would adversely affect our business, results of operations, cash flows and financial condition*" above.

If we fail to effectively implement our risk management policies, we could materially and adversely affect our business, financial condition, results of operations and cash flows.

32. ***There are certain delays in filings noticed relating to submission of intimation of proceedings of the EGM required under SEBI LODR. Any penalty or action taken by any regulatory authorities in future, for non-compliance with the provisions of corporate or any other law could impact the financial position of the Company to that extent.***

Due to unforeseen circumstances, our Company has missed the submission of filing proceedings of the 25th EGM with the Stock Exchange. While no legal proceedings or regulatory action has been initiated against our Company in relation to such in delay in filing with the Stock Exchange as of the date of this Shelf Prospectus, we cannot assure you that such regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by Stock Exchange in this respect. Therefore, if the Stock Exchange impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition, cash flows and results of operations could be adversely affected. The amount of such penalty may not be material.

33. ***The growth rate of India's housing finance industry may not be sustainable. The Government of India has been pursuing various social welfare schemes and initiatives to create an enabling and supportive environment to both enhance the flow of credit to the housing sector and increase home ownership in India.***

Various Central Government policies and initiatives such as "Smart Cities" and the "Pradhan Mantri Awas Yojana" or the "Housing for all by 2022" scheme have reinforced the primacy of the housing sector and the need to provide housing to all and are expected to promote affordable housing through partnerships with private sector entities. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Rising interest rates and property prices, and the resultant moderation in home affordability, can lead to slowdown in growth of sales. Rising inflation will impact cash-flows for our borrowers, which may have an impact on our asset quality marginally. Any slowdown or reversal of the growth of India's housing finance industry may, in future, affect our business, results of operations, cash flows and financial condition.

34. ***Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the Government, which may adversely affect our business, prospects, financial condition, cash flows and results of operations.***

The rapid growth in the housing finance industry in India in the last decade is in part due to the introduction of fiscal benefits for home owners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits, and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the Government will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur.

The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from eligible business computed under the head "profits and gains of business or profession", may be carried to a "Special Reserve" and are not subject to income tax. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital (excluding the amounts capitalized from reserves) and general reserves of the company. Further, in terms of the Section 41(4A) of the Income Tax Act, 1961, where a deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income tax as the income of the previous year in which such amount is withdrawn, if it does not, this may result in a higher tax outflow. By way regulation prescribed by NHB/RBI, all HFCs are required to create a deferred tax liability ("**DTL**") on the Special Reserve created from current and past profits, irrespective of whether it is intended to withdraw from such reserve or not, however, we follow Ind AS for our accounting and accordingly as per Ind AS have not created deferred tax liability on special reserve.

In addition, availing of housing loans for residential properties has become attractive due to certain government schemes and income tax exemptions on the repayment of loans and interest payments. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961 and interest payment qualifies for a reduction in taxable income as per the maximum limit specified in Income Tax Act, 1961. There can be no assurance that the government will continue with such schemes or tax benefits on housing loans and any significant change by the government in its monetary policy or tax laws may adversely affect our business, cash flows, financial conditions and results of operations. Changes in tax laws and reduction in tax concessions for housing loans may negatively impact the housing market and the housing loan market in general.

35. ***We have contingent liabilities as at September 30, 2024 in accordance with Ind AS 37 and our financial condition may be adversely affected if these contingent liabilities materialize.***

We have contingent liabilities, which could adversely affect our business, cash flows, financial conditions and results of operations. Our contingent liabilities aggregated to ₹88.36 crore as at September 30, 2024 in accordance with Ind AS 37. In the event that any of these contingent liabilities materialize, our results of operations, cash flows, business, and financial condition may be adversely affected. Below are the details of Contingent liabilities as at September 30, 2024, in accordance with Ind AS 37:

i. Claim against the Company not acknowledged as debt ₹ 0.20Crores;
ii. Contingent liability on account of Income Tax Dispute is ₹ 7.28 Crores. The Company has filed appeal against the said demand;
iii. Contingent liability on account of GST Dispute is ₹ 0.95 Crores. The Company has filed appeal against the said demand and has deposited ₹ 0.04 Crores under protest;
iv. Credit enhancement and Guarantee given for securitization and assignment transactions amounting to ₹ 79.93 Crores and ₹ 23.34 Crores respectively.

For further details on Contingent Liabilities as at September 30, 2024, in accordance with Ind AS 37, see "*Financial Information*" on page 199.

36. ***Our business is subject to various operational risks associated with the financial industry, including fraud.***

Our business is subject to various operational and other risks associated with the financial industry, including:

- inadequate procedures and controls;
- failure to obtain proper internal authorizations;
- misreporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure
- obligations;
- improperly documented transactions;
- customer or third-party fraud, such as impersonation or identity theft or approval of loans on false
- pretences or inflated property values;
- failure of operational and information security procedures, computer systems, software or equipment;
- the risk of fraud or other misconduct by employees;
- failure to detect money-laundering and other illegal or improper activities;
- unauthorized transactions by employees; and
- inadequate training and operational errors, including record keeping errors or errors resulting from faulty computer or communications systems.

In particular, where customers repay their loans in cash directly to us or through representative appointed by us, we are exposed to the risk of fraud, misappropriation or unauthorized transactions by our representatives and employees responsible for dealing with such cash collections. While we have procured insurance for cash in safes and in transit, and we have put in place systems to detect and prevent any unauthorized transaction, fraud or misappropriation by our authorized representatives and employees, this may not be effective in all cases.

Furthermore, while we have dedicated risk containment unit for identifying and detecting frauds and illicit practices with centralized as well as field presence, there can be no assurance that measures adopted by us have been or will be effective in preventing frauds, or that any of these events will not occur again in the future or that we will be able to recover funds misused or misappropriated if such events occur. Further, where possible, there could be instances of fraud and misconduct by our employees which may go unnoticed for a certain period of time before they are identified and corrective actions are taken.

If a regulatory proceeding is initiated due to a report made by us about an unauthorized transaction, fraud, or misappropriation involving our employees, it could harm our reputation and financial condition.

37. Our regulatory mandated ratios may differ from our peers and if we fail to comply with the regulatory requirements, it could severely impact our business, results of operations, cash flows and financial condition.

We must adhere to regulations concerning the capital adequacy, liquidity coverage and principal business criteria ratios of HFCs, as periodically outlined by RBI.

Although we have historically complied with these regulatory ratios, including CRAR, LCR, and PBC, there is no assurance that we can continue to do so. Any failure in maintaining these ratios within regulatory thresholds could negatively impact our business, results of operations, cash flows, and financial condition. Additionally, the regulatory or supervisory assessment of our capital adequacy and liquidity coverage requirements may differ from our internal assessments. Changes to the regulatory framework impacting HFCs and other financial service companies, such as provisions for NPAs, capital adequacy, or liquidity guidelines or differences in their interpretations could detrimentally impact our profitability and future financial performance, as we may need to restructure our activities or bear increased costs to comply with applicable regulations.

38. We also handle cash in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our cash flows, business, results of operations and financial position.

Some of our customers in the EWS and LIG group make payments in cash which is collected at dispersed network of branches. Handling cash at branch level exposes us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by our employees. Our insurance policies and measures undertaken to detect and prevent these risks may not be sometimes, sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected.

39. We outsource certain operational activities to third-party service providers. Any lapse by such third party service providers may have adverse consequences on our business and reputation.

We have entered into outsourcing agreements with various third party service providers for certain services including, among others, document storage, IT, IT maintenance, payment interface platforms, cloud and data analytics platforms. Our technical teams work closely with external valuation agencies to assess the market value of a property provided as collateral. Our legal teams regularly collaborate with independent legal advisers in connection with title verification of property provided as collaterals by our customers. Further, our business teams regularly collaborate with various sourcing intermediaries to source loans for us.

The respective business and functions team reviews and assesses the financial and operational health of our service providers to ensure they can fulfil their obligations. This review includes checking performance standards, confidentiality and security, with the process being overseen by our internal audit department. Our internal audit team also regularly audits all our businesses and functions. We sometimes have external firms conduct on-site vendor audits for critical functions. However, there can be no assurance that such measures would be adequate. Consequently, we face the risk of our service providers failing to meet their contractual duties, committing fraud, making operational mistakes, or having inadequate business continuity and data security systems.

While these have not had any material impact on our business or operations, we cannot assure you that such instances may not occur in the future.

40. Security breaches of customers' confidential information that we store may expose us to liability and harm our reputation.

As part of our business, we store and have access to customers' bank information, credit information and other sensitive data. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings against us including the potential imposition of penalties, and negative publicity. Data security breaches could lead to the loss of trade secrets or other intellectual property, or the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. Any security breach may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows.

41. ***We depend on the accuracy and completeness of information provided by our potential borrowers and third -party service providers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition.***

While we have a well-established and streamlined credit appraisal process, there can be no assurance that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with credit bureaus, or the on-site verification conducted by our empaneled third-party agencies will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing assets, which could adversely affect our business, cash flows, financial conditions and results of operations.

42. ***We do not own our branch offices, including our registered office and corporate office. Any termination or failure by us to renew the lease/ leave and license agreements in a favorable and timely manner, or at all, could adversely affect our business, cash flows, financial conditions and results of operations. Moreover, many of the lease/ leave and license agreements entered into by us may not be duly registered or adequately stamped.***

Our branch offices, including our registered office and corporate office are located on leased or licensed premises. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. Some of the lease/ leave and license agreements may have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease/ leave and license agreements. While we have not faced major issues renewing the leases of our offices in the past, if these lease/ leave and license agreements are not renewed or not renewed on terms favorable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business, cash flows, financial conditions and results of operations. Further, most of our lease/ leave and license agreements may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business.

43. ***Any change in control of our Promoter or our Company or any other factor affecting the business and reputation of our Promoter may have a concurrent adverse effect on our Company's reputation, business, cash flows and results of operations and may correspondingly adversely affect our goodwill, operations and profitability and further our Promoter has significant control in our Company, which will enable them to influence the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other holders of Equity Shares.***

"IIFL" is a well-established brand among retail, institutional and corporate investors in India and we believe we have benefited extensively from the brand. We also derive substantial benefit from synergies and cross-selling opportunities generated between our company and entities within IIFL group. As a result, our company's reputation and brand may be affected by any regulatory orders alleging non-compliance by other entities within the IIFL group with laws and regulations.

As on March 31, 2024, our Promoter holds 79.59% of the paid up equity share capital. Any change in control of the Promoter may have an adverse effect on the operations of the Company, including influencing the policies of the Company. If our Promoter ceases to exercise majority control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "IIFL" and our goodwill as a part of the IIFL group of companies may be adversely affected, which in turn could adversely affect our business, cash flows, financial conditions and results of operations. Further, our Promoter has the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

Our Company, Our Promoter and PLATINUM OWL C 2018 RSC LIMITED (Acting as trustee of Platinum Jasmine A 2018 Trust) ("**Investor**"), have entered into a Shareholder's agreement dated June 9, 2022 ("**SHA**") (collectively "**SHA Parties**"). The SHA confers certain rights on the Investor including: (i) rights upon the transfer of shares by our Promoter which are: (a) a tag-along right; and (b) right of first offer; (ii) rights to exit the Company via a secondary sale or a drag along right;; (iii) right of pre-emption and anti-dilution in relation to any further issuance of any equity shares or equity share equivalents by our Company; (iv) the right preventing our Company from providing another investor more favourable terms than those provided to the Investor.

We have executed the Share Subscription Agreement dated June 9, 2022 with our Company and Platinum OWL C 2018 RSC Limited ("**Investor**"), which is a company incorporated under the laws of Abu Dhabi Global Market (individually as a "**Party**", together the "**Parties**") ("**Subscription Agreement**"). The Investor has agreed to subscribe to the securities of our Company.

The salient features of the Subscription Agreement, are as follows:

- <u>Assignment of Rights</u>: The Parties are restricted to assign their rights and obligations under the Subscription Agreement, without the prior written consent of other Parties, provided that the Investor shall be entitled to assign its rights and obligations under the Subscription Agreement to any of its affiliates to whom it transfers of its subscription securities.
- Company cannot take any decisions in relation to the below matters without obtaining prior written consent of the investor:
    - <u>Making alteration to its share capital</u>

      Except to the extent permitted under the transaction documents, any change in the share capital is permitted under the share subscription agreement, unless it reduces the proposed shareholding percentage of the investor in the share capital of the company.
    - <u>Declaring any dividend</u>

      Company cannot declare, set aside, make or pay any dividend (interim or final) without obtaining prior written consent of the Investor.
- <u>Long Stop Date</u>: Shall mean a date mutually agreed by the Investor and the Company prior to which the Company is obligated to fulfil the conditions precedent provided under the Part A of Annexure IV of the Share Subscription Agreement.

The above rights given to our Investor through the SHA can affect control of our Promoters in our Company, which might affect our operations and profitability.

Recently, an inspection of our Promoter (IIFL Finance Limited) was carried out by the RBI in respect of its financial year ending March 31, 2023, wherein certain material supervisory concerns were observed by the RBI in respect to the gold loan portfolio of our Promoter (IIFL Finance Limited), including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default; breaches in loan-to-value ratio; significant disbursal and collection of loan amount in cash far in excess of the statutory limit; non-adherence to the standard auction process; and lack of transparency in charges being levied to customer accounts, etc. Pursuant to press release and order dated March 4, 2024, RBI had earlier directed our Promoter (IIFL Finance Limited) to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/ selling any of its gold loans. Our Promoter (IIFL Finance Limited) could, however, continue to service its existing gold loan portfolio through usual collection and recovery processes. These supervisory restrictions were reviewed upon completion of a special audit instituted by the RBI and after rectification by our Promoter (IIFL Finance Limited) of the special audit findings and the findings of RBI Inspection, to the satisfaction of RBI. Subsequently, RBI through its communication dated September 19, 2024 lifted the aforesaid restrictions with immediate effect and permitted our Promoter (IIFL Finance Limited) to resume sanction, disbursal and assignment / securitisation / sale of gold loans in accordance with the extant laws / regulations.

44. Our loan portfolio may no longer continue to be classified as priority sector advances by the RBI.

The RBI currently mandates domestic commercial banks operating in India to maintain an aggregate 40% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, micro and small enterprises, micro enterprises within the micro and small enterprises sector, export credit and advances to weaker sections where the government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically have relied on specialised institutions like us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitised and assigned pools to comply with these targets.

In the event that any part of our loan portfolio is no longer classified as a priority sector advance by the RBI, or if the laws relating to priority sector lending as applicable to the banks undergo a change, our ability to securitise/assign our asset pool will be hampered, which may adversely affect our financial condition, cash flows, results of operations and/or cash flows.

45. ***Certain of our Directors, Key Managerial Personnel and Senior Management Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Directors, Key Managerial Personnel and Senior Management Personnels may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors, Key Managerial Personnel and Senior Management Personnels, as applicable, may be deemed to be interested to the extent of ESOPs on Equity Shares. We cannot assure you that our Directors, Key Managerial Personnel and Senior Management Personnels will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see sections titled "Capital Structure" and "Our Management" on pages 67 and 146, respectively.

46. ***We may not be able to fully comply with insider trading rules and regulations, which could result in criminal and regulatory fines and severe reputational damage. Further, we may fail to detect illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, business operations, financial condition, cash flows and results of operation.***

We are required to comply with applicable insider trading laws and regulations, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. These laws and regulations require us to establish sound internal control policies and reporting procedures with respect to insider trading. Such policies and procedures require us to, among other things, establish or designate a policy for prohibition of insider trading which imposes reporting obligations on connected persons who are in possession of undisclosed price sensitive information in relation 45 to the securities of our Company. Further, we are subject to various laws relating to the prevention of other conflicts of interest. Conflicts of interest may exist between, (i) our departments; (ii) us and our vendors; (iii) different customers serviced by us; (iv) our employees and us; or between (v) our customers and our employees. Although we have internal controls and measures in place, there is no assurance that we will always manage such conflicts of interest, including compliance with various applicable laws and regulations. If the controls and measures implemented for detecting or eliminating insider trading or other improper or illegal trading activities which result in conflicts of interest are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may be subject to penal action, freezing or attachment of our assets, imposition of fines, or both. There is no assurance that the controls and measures implemented by us are adequate to detect or eliminate every instance of insider trading in a timely manner or at all. Any such lapse may adversely affect our reputation, business operations, financial condition, cash flows and results of operations.

47. ***We rely on direct selling agents ("DSAs") to sell some of our products across the country. These DSAs may not perform their obligations satisfactorily or in compliance with law or may be part of unlawful/unethical behaviour which may adversely affect the business and reputation of our Company***

We enter into direct selling arrangements with DSAs for the purpose of marketing and selling some of our products across India. Although adequate due diligence is conducted before entering into any DSA arrangement with any person, we cannot guarantee that there shall be no disruptions in the provision of their services to our Company or that these DSAs will adhere to their contractual obligations. If there is a disruption in the services of these DSAs, or if the DSAs discontinue their service agreement with us, our business, financial condition, cash flows and results of operations will be adversely affected. In case of any dispute between our Company and the DSAs, we cannot assure you that the terms of the agreements/arrangements entered into with the DSAs will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with other DSAs, may materially and adversely affect our business, financial condition, cash flows and results of operations. Further, our DSAs or the personnel they employ may be engaged in unethical or unlawful behaviour or they may misrepresent or mis-sell our products and services. Due to this, we may also suffer from reputational and legal risks and these actions may materially and adversely affect our business, financial condition, cash flows and results of operations.

48. ***Our Company and its Subsidiaries have availed or may avail of certain loans that are recallable by lenders, at any time.***

Our Company and its subsidiaries have availed or may avail of loans that are repayable on demand at any time by the relevant lenders. Any such unexpected demand for immediate repayment may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

49. ***There may be inadvertent discrepancies in our secretarial filings and/ or corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to any such discrepancies and we will not be subject to any penalty imposed by the competent authority in this regard.***

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Accordingly, we cannot assure you that our Company will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

50. ***The MSMEs to which our Company provides loans may not perform as expected and our Company may not be able to control the non-performance of such businesses.***

Our Company provides loans to select growing MSMEs which obtain loans against their assets and profits made by them. Our Company does not manage, operate or control such businesses or entities. Further, our Company has no control over those businesses' functions or operations. As a result, such businesses may make business, financial or management decisions which our Company does not agree or the majority shareholders or the management of such companies may make business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our Company’s best interests. The repayment of the loans extended to such businesses will depend to a significant extent on the specific management team of the relevant borrower entity. The actions taken by the management of our Company’s customers may lead to significant losses and affect their ability to repay our Company’s loans. Consequently, this may adversely affect our Company’s financial performance.

51. ***We are dependent on IIFL group, goodwill that we enjoy in the industry and our brand name and any factor affecting the business and reputation of IIFL group may have a concurrent adverse effect on our business, cash flows, financial conditions and results of operations.***

We are part of IIFL group and to some extent depend upon it for steady inflow of business. In the event IIFL group’s goodwill is impacted the same may have impact on our business, cash flows and results of operations. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

In the event IIFL group is unable to maintain the quality of its services or its goodwill deteriorates, our Company’s cash flows, financial conditions, business and results of operations may be adversely affected. Any disassociation of our Company from the IIFL group and/or our inability to have access to the infrastructure provided by other companies in the IIFL group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

52. ***We are permitted to use the IIFL Home Loan trademark, pursuant to the trademark license agreement between our Company and IIFL Capital Services Limited (formerly known as IIFL Securities Limited). Such right to use the IIFL trademark is subject to the termination based on the terms and conditions of the trademark license agreement and any such termination may result in us being unable to use the IIFL trademark, which could have a material adverse effect on our reputation and business.***

We have been given the right to use the IIFL Home Loan trademark, owned by IIFL Securities pursuant to the trademark license agreement dated April 12, 2021 entered into between our Company and IIFL Capital Services Limited (formerly known as IIFL Securities Limited). We have been provided a non-exclusive, non-transferable, as set out therein, to use the trademark.

Pursuant to which, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has granted our Company with a non-exclusive right and license to use the trademark, service mark pertaining to “IIFL” and our logo that include the image

The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the trademark license agreement. Any termination of the agreement by IIFL Capital Services Limited (formerly known as IIFL Securities Limited) may result in us being unable to use this trademark which could have a material adverse effect on our reputation and business. Further, our

Company has also registered a logo associated with its brand and operation i.e. vide registration certificate dated July 14, 2024.

Further, our home loan processing is done through our proprietary application “Jhatpat Loans”. We have not filed for any intellectual property protection for our mobile application. The lack of such registration adversely affects our ability to protect such intellectual property. For further details, please see “*History and Main Objects*” on page 143.

We may be required to resort to legal action to protect our intellectual property rights. Any adverse outcome in such legal proceedings may impact our ability to use our intellectual property rights in the manner in which such intellectual property is currently used, or at all, which could have an adverse effect on our business and financial condition.

53. ***We are exposed to risks that may arise if our customers opt for balance transfers to other banks or financial institutions, or if customers face increased difficulties in refinancing their existing housing loans from other banks and financial institutions to our Company.***

We offer our customers fixed and variable interest rate loans, which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates, which has led to a high incidence of balance transfer, which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for customers in refinancing their existing housing loan from another bank or financial institution may also adversely affect our balance transfer loan originations. As competition in the housing finance sector intensifies, some of our customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, cash flows, results of operations and financial condition.

54. ***We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.***

We have entered into a number of related party transactions, within the meaning of Ind AS-24, as applicable. While we believe that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties.

Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. For further details of historical related party transactions, please see "*Related Party Transactions*" on page 183.

55. ***We may be unable to protect our brand names and other intellectual property rights which are critical to our business.***

We may be required to resort to legal action to protect our brand names and other intellectual property rights. Any adverse outcome in such legal proceedings may impact our ability to use our brand names and other intellectual property rights in the manner in which such intellectual property is currently used or at all, which can have a material adverse effect on our business and financial condition.

56. ***Negative publicity could damage our reputation and adversely impact our business and financial results.***

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity or attract regulatory investigations. Negative publicity can result from our own or our third- party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk.

Further, a failure of a cooperative bank, private sector bank, non-banking finance company or small finance bank or housing finance company could also affect the sentiment towards the AHFC industry in general and lead to a reduction in business for all HFCs. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, and loss of new business from potential customers.

57. ***We have in this document included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance including Net worth, Assets under management, Total borrowings, Financial assets, Non-financial assets excluding property, plant and equipment, Total Borrowings to total assets, Trade payables, total Borrowings to total Equity Ratio, Bad debts to gross loans (together, "**Non-GAAP Measures**") and other industry metrics have been included in this section and elsewhere in this document. These non GAAP measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition, these non GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

58. ***Significant changes by the Government, the RBI or the NHB in their policy initiatives facilitating the provision of housing and housing finance or any change in the tax incentives that the Government currently provides to HFCs may have an adverse effect on our business, cash flows, results of operations and financial condition.***

The Government of India provides certain incentives to encourage providing credit to the housing industry and has implemented policies that are aimed at providing low-cost, long-term credit to the low and middle income groups in India. The NHB provides re-finance for certain qualifying loans at reduced rates to certain qualifying HFCs through its schemes. In addition, the RBI provides certain incentives to the housing finance industry by extending priority sector status to housing loans. Certain key measures taken by the RBI to assist in fulfilling the Government's objectives include the reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs to raise long-term ECBs for on-lending towards affordable housing, which the RBI defines as housing loans with a size of up to ₹ 2.50 million. However, we cannot assure you that the Government, the RBI and the NHB will continue to provide such incentives in the future.

The Government had introduced the Credit Linked Subsidy Scheme ("**CLSS**") of the Pradhan Mantri Awas Yojana ("**PMAY**") – Housing for All (Urban) which aims at expanding institutional credit flow to the housing needs of the customers from EWS & LIG groups, by providing credit-linked subsidy on home loans taken by eligible customers EWS & LIG groups for acquisition or construction of houses. Individuals belonging to the economically weaker sections ("**EWS**") and the low income group ("**LIG**") seeking housing loans from primary lending institutions ("**PLIs**"), including banks and HFCs, are eligible to avail benefits under the scheme.

Further, pursuant to Section 36(1)(viii) of the (Indian) Income-tax Act, 1961 (the "**Income Tax Act**"), up to 20.00% of profits from housing finance activities may be carried to a special reserve and will not be subject to income tax. Our Board has also resolved that such special reserve may not be used to pay dividends. The amount of special reserve under section 36 (1)(viii) of the Income Tax Act as at March 31, 2024 was ₹ 766.47 Crores. In addition, home buyers receive tax incentives on home loans for principal and interest payment of home loans, which has improved affordability levels of borrowers. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961. However, we cannot assure you that the Government will continue to make such benefits available to HFCs or home buyers.

Any significant change by the Government in its various policy initiatives facilitating provision of housing and housing finance or any change in the tax incentives that it currently provides to HFCs and homebuyers may have an adverse effect on our business, cash flows, results of operations and financial condition.

59. ***Statistical and industry data in this document is derived from the CRISIL Report commissioned by us for such purpose. CRISIL is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable.***

This document includes information that is derived from the report on '*Industry Report on Housing Finance*', dated October, 2024 prepared and issued by CRISIL MI&A, a division of CRISIL ("**CRISIL Report**"). CRISIL Research is not in any manner related to us, our Directors or our Promoter. The CRISIL Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CRISIL Report, neither our Company nor the Lead Managers nor any of our or their respective affiliates or advisors or any other person connected with the Issue has independently verified third party and industry related data and statistics obtained from the CRISIL Report. While we have no reason to believe the data and statistics in the CRISIL Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document.

60. ***We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, cash flows, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, senior management, and our operational personnel. We believe that the inputs and experience of our senior management are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of or inability to attract or retain such persons may have an adverse effect on our business, cash flows, results of operations and financial condition.

61. ***The bankruptcy code in India may affect our rights to recover loans from our customers.***

The Insolvency and Bankruptcy Code, 2016 ("**IBC**") was notified on August 5, 2016. The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The IBC creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against our debtor, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority.

Accordingly, if the provisions of IBC are invoked against any of our customers, it may affect our ability to recover our loans from the borrowers and enforcement of our rights will be subject to IBC.

62. ***Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.***

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. For further details on our insurance coverage, see "*Our Business – Insurance*" on page 141. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

63. ***Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.***

As at September 30, 2024, we employed 5434 personnel across our operations. Although we have not experienced any material employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, cash flows, results of operations and financial condition.

None of our workforce is currently unionized. However, there is a risk that our employees may choose to unionize in the future. Labour unions for banking employees organize strikes, and we may in the future be affected by strikes, work stoppages or other labour disputes if any portion of our workforce were to become part of a union in the future. In the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations and, if not resolved in a timely manner, could adversely affect our business, financial condition, results of operations, cash flows and prospects.

64. ***Fluctuations in the market value of our investments could adversely affect our results of operations, cash flows, business and financial condition.***

Fluctuations in the market values of our investments as part of Treasury Management could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We may not accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

65. ***Some of our Directors may have interests in entities, which are in businesses similar to ours and this may result in conflicts of interest with us.***

As on the date of this Shelf Prospectus, some of our Directors are also directors on the board of our related parties. Commercial transactions in the future between us and related parties may result in conflicting interests which could have an adverse effect on our operations. Such factors may have an adverse effect on the results of our operations, cash flows, business and financial condition.

66. ***This Shelf Prospectus includes Unaudited Interim Condensed Financial Statements , which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Shelf Prospectus includes Unaudited Interim Condensed Financial Statements in relation to our Company for period ended September 30, 2024 in respect of which the Current Joint Statutory Auditors have issued their limited review report dated November 21, 2024. As Unaudited Interim Condensed Financial Statements prepared by our Company have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Unaudited Interim Condensed Financial Statements should, accordingly, be limited.

Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position, cash flows and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Shelf Prospectus. Our Joint Statutory Auditors have provided no assurance or services related to any prospective financial information.

EXTERNAL RISK FACTORS

67. The growth rate of India's housing finance industry may not be sustainable.

Various Central Government policies and initiatives such as "Smart Cities" and the "Pradhan Mantri Awas Yojana" or the "Housing for all by 2022" scheme have reinforced the primacy of the housing sector and the need to provide housing to all and are expected to promote affordable housing through partnerships with private sector entities. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Rising interest rates and property prices, and the resultant moderation in home affordability, can lead to slowdown in growth of sales. Rising inflation will impact cash-flows for our borrowers, which may have an impact on our asset quality marginally. Any slowdown or reversal of the growth of India's housing finance industry may affect our business, results of operations, cash flows and financial condition.

68. The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business, cash flows, financial condition and results of operations.

We operate in a highly competitive industry in India and we compete with banks, other housing finance companies, small finance banks and NBFCs in each of the geographies in which we operate. Our competitors may have more resources, a wider branch and distribution network, access to cheaper funding, superior technology and may have a better understanding of and relationships with customers in these markets. This may make it easier for competitors to expand and to achieve economies of scale to a greater extent. In addition, our competitors may be able to rely on the reach of the retail presence of their affiliated group companies or banks. Competition in this market division has also increased as a result of interest rate deregulation and other liberalization measures affecting the housing finance industry in India and we expect competition to intensify in the future.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital, and to charge optimum interest rates when lending to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. If we are unable to compete effectively, our business, cash flows, financial condition and results of operations may be adversely affected.

Further, our well-performing loans are liable to be taken over by competitors at low rate as there is no penalty on the pre-closure of floating rate loans. Floating rate loans account for a majority of our loans. If many customers choose to transfer their loans to other institution, it may make it difficult for us to grow our portfolio.

69. Changing laws, rules and regulations and legal uncertainties, including adverse application of RBI or NHB regulations or tax laws and regulations, may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and housing finance business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The governmental and regulatory bodies may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For instance:

- The General Anti Avoidance Rules ("**GAAR**") came into effect from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in a denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us;
- The Government of India has implemented a comprehensive national goods and services tax ("**GST**") regime with effect from 1 July 2017 that combines taxes and levies by the Central and State Governments into a unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions;
- The Finance (No. 2) Act, 2019 ("**Finance Act**"), passed by the Parliament and which has received the assent of the President of India, has introduced various amendments to legislations. Amongst others, the Finance Act includes amendments to the NHB Act ("**NHB Act Amendments**") which have transferred the regulation authority over the housing finance sector from NHB to RBI. The NHB Act Amendments came into force on August 9, 2019. Pursuant to the NHB Act Amendments, amongst others, (i) the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (ii) the RBI has the power to regulate by specifying conditions or prohibit the issue by any housing finance institution which is a company of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs. This may result in a change in policy and interpretations with respect to regulations governing HFCs; and
- Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020 existing exemptions available to HFCs under the RBI Act have been withdrawn.

Further, our employees are entitled to statutory employment benefits such as a defined benefit gratuity plan, among others.

We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees, may create potential liability for us. If we fail to comply with current and future health and safety and labour laws and regulations at all times, including obtaining relevant statutory and regulatory approvals, this could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Risks Relating to India

70. India's existing credit information infrastructure may cause increased risks of loan defaults.

All of our business is located in India. India's existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies, which might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and cash flows.

71. ***Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business.***

We are exposed to the risks of the Indian financial system. The financial difficulties faced by certain Indian financial and non-banking financial institutions could materially and adversely affect our business because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk" may materially adversely affect financial intermediaries, such as clearing agencies, banks, NBFCs, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially adversely affect our business. Our transactions with these financial institutions and other non-banking financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

72. ***Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.***

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB-with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Bank's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

73. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and our future financial performance.

74. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.***

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

75. ***We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- The impact of international trade wars or uncertain or unfavourable policies on international trade or (whether or not directly involving the Government of India);
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- Civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- Logistical and communication challenges;
- Downgrading of India's sovereign debt rating by rating agencies;
- Changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- Occurrence of natural calamities and force majeure events;
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

76. ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to NCD Holders' assessments of our financial condition.***

The annual financial statements included in this Shelf Prospectus have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Shelf Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Shelf Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Shelf Prospectus should be limited accordingly.

Risks relating to the Issue and NCDs.

77. ***Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.***

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

78. ***Any downgrade in credit rating of our NCDs may affect the value of NCDs and thus to raise further debt.***

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook)" for an amount of ₹ 3,000 Crore by CRISIL vide their rating letter dated September 30, 2024, revalidated vide letter dated November 21, 2024 read with the rating rationale dated September 30, 2024 and updated rating rationale as on November 26, 2024 and "IND AA/Stable" for an amount of ₹ 3,000 Crore by India Ratings vide their rating letter dated September 9, 2024, revalidated vide letter dated November 25, 2024 read with rating rationale dated September 9, 2024 and updated rationale dated November 14, 2024. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk. Ratings given by CRISIL and India Ratings are valid as on the date of this Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange unless withdrawn In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre issue advertisement has been given. The rating is not a recommendation to buy, sell or hold the rated instrument and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of factors such as new information. For the rating letter, rationale and press release for these ratings, see "Annexure A" of this Shelf Prospectus. There are no unaccepted ratings and any other ratings other than as specified in this Shelf Prospectus.

79. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, *inter alia*, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss, in future.

80. You may be subject to taxes arising on the sale of the NCDs.

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs.

81. The Issuer, being a HFC is not required to maintain a debenture redemption reserve ("DRR").

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a HFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs. However, in accordance with section 71 of the Companies Act, 2013, read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, as amended, we shall on or before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than and which shall not any time fall below 15% of the amount of its debentures maturing during the year ending on the 31st day of March, of the next year, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. If we do not generate adequate profits, we may not be able to deposit or invest the prescribed percentage of the amount of the NCDs maturing the subsequent year.

82. There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, *inter alia*, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects, cash flows and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may be traded at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

83. There may be a delay in making refund/ unblocking of funds to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

84. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

85. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Shelf Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on stock exchanges in a timely manner, or at all.

86. There are other lenders and debenture trustees who have pari passu charge over the Security provided.

There are other lenders and debenture trustees of the Company who have *pari passu* charge over the Security provided for the Issue. While the Company is required to maintain 100% asset cover for the outstanding amount of the NCDs and interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

87. The Issuer, being a HFC is not required to maintain a debenture redemption reserve ("DRR").

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an HFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

SECTION III – INTRODUCTION
GENERAL INFORMATION

Our Company was incorporated under the provisions of the Companies Act, 1956 on December 26, 2006, under the name of India Infoline Housing Finance Limited. Its name was changed to 'IIFL Home Finance Limited' pursuant to fresh certificate of incorporation dated May 02, 2018, issued by the Registrar of Companies, Maharashtra, Mumbai.

Our Company is registered with the NHB as housing finance company vide registration no. 09.0175.18 dated September 14, 2018. The NHB registration no. before change of name of IIFL Home Finance Limited was 02.0070.09 dated February 03, 2009. The IIFL Home Finance Limited has been notified as a financial institution under SARFAESI Act vide Government notification dated June 23, 2010.

For further details in relation to the changes in our name, constitution, registration with the NHB and our Company's main objects, see "*History and Main Objects*" on page 143. For details of the business of our Company, see "*Our Business*" beginning on page 116.

Registration:

CIN: U65993MH2006PLC166475
LEI: 335800XEJ73TV7NESI10
NHB Regn. No.: 09.0175.18
PAN: AABCI6154K

Registered Office

IIFL Home Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
MIDC Thane Industrial Area,
Wagle Estate, Thane 400 604,
Maharashtra, India
Tel.: +91 22 4103 5000
Website: www.iiflhomeloans.com
Email: hfcinvestors@iiflhomeloans.com

Corporate Office

Plot No. 98,
Udyog Vihar Phase – IV,
Gurgaon 122 015,
Haryana, India
Tel.: + 91 124 4754 600
Website: www.iiflhomeloans.com
Email: hfcinvestors@iiflhomeloans.com
For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 143.

Registrar of Companies, Maharashtra at Mumbai

100, Everest, Marine Drive
Mumbai – 400 002,
Maharashtra, India
Tel.: +91 22 2281 2627 / 2202 0295 / 2284 6954
Fax.: +91 22 2281 1977
E-mail: roc.mumbai@mca.gov.in

Liability of the members of the Company - Limited by shares

Chief Financial Officer

Gaurav Seth
Plot No. 98,
Udyog Vihar Phase – IV,
Gurgaon 122 015,
Haryana, India
Tel.: + 91 124 4754 600
E-mail: iihfl.accounts@iiflhomeloans.com

Company Secretary and Compliance Officer

Ajay Jaiswal
Company Secretary and Compliance Officer
Plot No. 98,
Udyog Vihar Phase – IV,
Gurgaon 122 015,
Haryana, India
Tel.: + 91 124 4754 600
Email: hfcinvestors@iiflhomeloans.com

Lead Managers

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5066
Email: iiflhomefinance.ncd@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Hani Jalan
Compliance Officer: Aayushi Mulasi
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

IIFL Capital Services Limited (formerly known as IIFL Securities Limited)*
24th Floor, One Lodha Place,
Senapati Bapat Marg
Lower Parel (West), Mumbai – 400 013, Maharashtra, India
Tel: +91 22 4646 4728
Email: iiflhome.ncd@iiflcap.com
Investor Grievance Email: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Yogesh Malpani
Compliance Officer: Pawan Kumar Jain
SEBI Registration no.: INM000010940
CIN: L99999MH1996PLC132983

** IIFL Capital Services Limited (formerly known as IIFL Securities Limited) is deemed to be an associate of the Issuer as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*

Debenture Trustee

CIN: U74999PN1997PLC110262

Catalyst Trusteeship Limited
Registered office: GDA House, Plot No. 85,
Bhusari Colony (Right), Paud Road,
Pune – 411038
Corporate office : Unit No-901, 9th Floor, Tower-B,
Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel (W), Mumbai - 400013
Tel: +91 22 4922 0555
Fax: +91 22 4922 0505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Umesh Salvi
SEBI Registration No: IND000000034
CIN: U74999PN1997PLC110262

Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations, by its letter dated August 08, 2024 has given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as "**Trustees**"). A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders and for its name to be included in this Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue is annexed as *Annexure B*.

All the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity.

Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see "*Issue Related Information*" on page 314.

Registrar to the Issue

LINK Intime

Link Intime India Private Limited
C 101, 247 Park, L.B.S Marg, Vikhroli West
Mumbai 400 083, Maharashtra, India
Tel: +91 810 811 4949
Fax: +91 22 4918 6060
Email: iiflhomefinance.ncd2024@linkintime.co.in
Investor Grievance mail: iiflhomefinance.ncd2024@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Compliance Officer : B.N. Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Link Intime India Private Limited, has by its letter dated August 7, 2024 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, unblocking, transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the relevant Stock Exchange.

Consortium members to the Issue

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Bankers to the Issue

Public Issue Account Bank

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Sponsor Bank

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Refund Bank

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Banker to the Company

HDFC Bank Limited
Zenith House, 2nd floor,
Opposite Mahalaxmi Race Course, Mahalaxmi,
Mumbai - 400034
Tel: +91-9619145751
Fax: NA
Email: akshay.agarwal@hdfcbank.com
Contact Person: Akshay Agarwal
Website: www.hdfcbank.com

Joint Statutory Auditors

S.R. Batliboi & Associates LLP, Chartered Accountants
67, Institutional Area, Sector 44,
Gurugram, Haryana - 122003
Tel: +91 124 681 6000
E-mail: srba@srb.in
Firm Registration Number: 101049W/E300004

Sundaram & Srinivasan, Chartered Accountants
23, C.P. Ramaswamy Road, Alwarpet, Chennai - 600018
Tel: +91 044 24988762
E-mail: ramkumar@sundaramandsrinivasan.com
Firm Registration Number: 004207S

S.R. Batliboi & Associates LLP, Chartered Accountants was appointed as the statutory auditor of our Company on June 29, 2023 at the 17th Annual General Meeting of the shareholders of the Company. Sundaram & Srinivasan, Chartered Accountants was appointed as the statutory auditor of our Company on June 20, 2024 at the 18th Annual General Meeting of the shareholders of the Company.

For change in statutory auditors of our Company in last three financial years and current financial year, please see '*Other Regulatory and Statutory Disclosures*' on page 251.

Credit Rating Agencies

CRISIL Ratings Limited
CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai – 400 076
Tel: + 91 22 3342 3000 (B)
Fax: +91 22 3342 3050
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Ajit Velonie
SEBI Registration No: INCRA0011999

India Ratings and Research Private Limited
Wockhardt Tower, West Wing, Level 4 Bandra-Kurla Complex, Mumbai - 400 051
Tel: 022-40001700
Email: infogrp@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Ismail Ahmed
SEBI Registration No: IN/CRA/002/1999

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook)" for an amount of ₹ 3,000 crore by CRISIL vide their rating letter dated September 30, 2024, revalidated vide letter dated November 21, 2024 read with the rating rationale dated September 30, 2024 and updated rating rationale as on November 26, 2024 and "IND AA/Stable" for an amount of ₹ 3,000 crore by India Ratings vide their rating letter dated September 9, 2024, revalidated vide letter dated November 25, 2024 read with rating rationale dated September 9, 2024 and updated rationale dated November 14, 2024. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk. Ratings given by CRISIL and India Ratings are valid as on the date of this Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange unless withdrawn In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre issue advertisement has been given. The rating is not a recommendation to buy, sell or hold the rated instrument and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of factors such as new information. For the rating letter, rationale and press release for these ratings, see "Annexure A" of this Shelf Prospectus.

There are no unaccepted ratings and any other ratings in relation to the issue, other than as specified in this Shelf Prospectus.

Disclaimer Statement of CRISIL

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Users of IRRPL ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed. Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Rating Agency shall neither construed to be nor acting under the capacity or nature of an 'expert' as defined under Section 2(38) of the Companies Act, 2013. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

Disclaimer Statement of CRISIL MI&A

CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India.

Legal Counsel to the Issue

Khaitan & Co
One World Centre
13th& 10th Floor, Tower 1C,
841 Senapati Bapat Marg,
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6636 5000

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

"Any person who —
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and have informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Inter-se allocation of Responsibility

The following table sets forth the responsibilities for various activities by the Lead Managers:

S. No.	Activities	Responsibility#	Coordinator
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. • Drafting of the offering document. • Coordination with Stock Exchanges for in-principle approval	Trust	Trust
2.	Structuring various issuance options with relative components and formalities etc.	Trust	Trust
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	Trust	Trust
4.	Drafting and approval of statutory advertisement.	Trust	Trust
5.	Appointment of other intermediaries i.e., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	Trust	Trust
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 4 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	Trust	Trust
7.	Coordination with the printer for designing and finalization of Issue Documents, Application Form including memorandum containing salient features of the Issue Documents.	Trust	Trust
8.	Preparation of road show presentation, FAQs.	Trust	Trust
9.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Issue Documents, posters, banners, etc. • Finalize collection centers; • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalization of list and allocation of institutional investors for one on one meetings.	Trust	Trust
10.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation.	Trust	Trust
11.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget; • Finalize centers for holding conferences for brokers, etc.	Trust and IIFL Securities	IIFL Securities
12.	Coordination with the Stock Exchange for use of the bidding software	Trust	Trust
13.	Coordination for security creation by way of execution of Debenture Trust Deed	Trust	Trust
14.	Post-issue activities including: • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution	Trust	Trust
15.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and Redressal of investor grievances in relation to post issue activities.	Trust	Trust

 # IIFL Capital Services Limited (formerly known as IIFL Securities Limited) is deemed to be an associate of the Issuer as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations,

IIFL Capital Services Limited (formerly known as IIFL Securities Limited) would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.

Underwriting

This Issue is not underwritten**.**

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size as specified in the relevant Tranche Prospectus, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Designated Intermediaries

Self-Certified Syndicate Bank

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Bids submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Consortium is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or any such other website as may be prescribed by SEBI from time to time .

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and RTA Master Circular and the SEBI Master Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of the Registered Brokers, RTAs, CRTAs, and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and ww.nseindia.com for Registered Brokers and http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for and www.nseindia.com for RTAs and CDPs, as updated from time to time.

The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds please see, "*Objects of the Issue*" beginning on page 83.

Issue Programme*

Issue Opens on	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closes on	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay in Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board of Directors or the Finance Committee approves the Allotment of the NCDs for the relevant Tranche Issue or such date as may be determined by the Board of Directors thereof and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of two working days and a maximum period of ten working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing relevant tranche prospectus with ROC including any extensions), as may be decided by the Board of Directors of our Company or Finance Committee thereof, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the relevant Tranche Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time). on one Working Day post the Issue Closing Date.*

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("**Bidding Period**"), during the Issue Period as mentioned in the relevant Tranche Prospectus for each Tranche Issue on all Working Days (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Managers, nor any Member of the Consortium, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

CAPITAL STRUCTURE

Details of share capital and securities premium account

The following table lays down the details of our authorised, issued, subscribed and paid-up share capital as on September 30, 2024:

(in ₹)

Share Capital	Aggregate value
Authorised Share Capital	
15,20,00,000 Equity Shares of face value ₹ 10 each	152,00,00,000
20,000,000 Preference Shares of face value ₹ 10 each	200,000,000
Total Authorised Share Capital	**1,72,00,00,000**
Issued, Subscribed and Paid-Up Share Capital	
2,63,44,638 Equity Shares of face value ₹ 10 each	26,34,46,380
TOTAL	**26,34,46,380**
Securities Premium Account	**2,969,64,65,398**

Details of change in the authorised share capital of our Company for last three financial years and current financial year:

There are no changes in the authorised share capital of our Company for last three financial years and current financial year.

Changes in the capital structure of our Company for last three financial years and current financial year:

Date of Change (Annual General Meeting/Extraordinary General Meeting)	Particulars
August 16, 2022 - EGM	The shareholders of the company via Special Resolution approved to allot 5,376,457 Equity Shares of IIFL Home Finance Limited to Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust. The total number of shares increased to 2,63,44,638.

Changes in the Equity Share capital history of our Company for last three financial years and current financial year:

Except as stated below, there has been no change in Equity Share capital of our Company in preceding three financial years and current financial year.

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Equity Share capital (₹)	Cumulative Securities Premium (₹)
August 22, 2022	53,76,457	10	4091.91	Cash	Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust, a trust established by way of deed of settlement dated 27 January 2019 in the Abu Dhabi Global Market, as a determinate and revocable proper law trust, known as Platinum Jasmine A 2018 Trust	2,63,44,638	26,34,46,380	2,969,66,67,048

List of top ten holders of Equity Shares of our Company as on September 30, 2024 are as follows:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	IIFL Finance Limited	2,09,67,681	2,09,67,681	79.59
2.	Platinum Owl C 2018 RSC Limited	53,76,457	53,76,457	20.41
3.	Govind Modani	100	100	0
4.	Gaurav Seth	100	100	0
5.	Abhishikta Munjal	100	100	0
6.	Monu Ratra	100	100	0
7.	Ajay Jaiswal	100	100	0
Total		2,63,44,638	2,63,44,638	100%

List of top ten debentures holders of our Company (on cumulative basis) as on September 30, 2024, are as follows:

(₹ in crores unless otherwise stated)

Sr. No.	Name of holders	Category of holder	Amount outstanding	Face value of non-convertible securities *(₹)*	Holding as a % of total outstanding non-convertible securities of the Issuer
1.	International Finance Corporation	FII	820.00	10,00,000.00	20.79%
2.	ICICI Prudential Mutual Fund	Mutual Fund	600.00	1,00,000.00	15.59%
			15.00	1000.00	
3.	Life Insurance Corporation Of India	Insurance	600.00	10,00,000.00	15.21%
4.	Asian Development Bank	FII	340.45	7,85,714.00	10.53%
			74.70	10,00,000.00	
5.	ICICI Prudential Life Insurance Company Limited	Insurance	100.00	10,00,000.00	2.54%
6.	Indian Oil Corporation Limited (Refineries Division) Employees Provident Fund	Provident Fund	98.00	10,00,000.00	2.48%
7.	IOCL Employees PRMB Fund	Provident Fund	79.00	10,00,000.00	2.00%
8.	Trustees Food Corporation Of India Contributory Provident Fund	Provident Fund	50.00	10,00,000.00	1.27%
9.	The South Indian Bank Limited	Bank	50.00	1,000.00	1.27%
10.	Bajaj Allianz Life Insurance Company Limited.	Insurance	50.00	1,000.00	1.27%

List of top 10 holders of commercial papers of our Company (on cumulative basis) as on September 30, 2024, are as follows:

(₹ in crores unless otherwise stated)

Sr. No.	Name of the CP holder	Category of the CP Holder	Face value of CP holding *(₹)*	Amount of CP holding (cumulative)	CP holding % as a % of total CP outstanding of the issuer
1.	Tata Mutual Fund	Mutual Fund	5,00,000	250.00	45.45%
2.	Go Digit General Insurance Limited	Insurance	5,00,000.00	150.00	27.27%
3.	ICICI Prudential Life Insurance Company Limited	Insurance	5,00,000.00	150.00	27.27%

Shareholding pattern of our Company

The following table sets forth the shareholding pattern of our Company as on September 30, 2024:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of (A+B+C)										Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoter & Promoter Group	6	20968181	0	0	20968181	79.59	20968181	0	20968181	79.59	0	0	0	79.59	0	0	0	0	20968181	0	0	0
(B)	Public	1	5376457	0	0	5376457	20.41	5376457	0	5376457	20.41	0	0	0	20.41	0	0	0	0	5376457	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	**Shares underlying DRs**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	**7**	**26344638**	**0**	**0**	**26344638**	**100**	**26344638**	**0.00**	**26344638**	**100.00**	**0**	**0**	**0**	**100**	**0**	**0**	**0**	**0**	**26344638**	**0**	**0**	**0**

Table II- Statement showing shareholding pattern of the Promoter and Promoter Group

Sr. No.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — No of Voting (XIV) Rights — Class eg: X	Class eg:y	Total	Total as a % of Total Voting rights	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares — Shareholding (No. of shares) under — Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(1)	**Indian**																						
(a)	Individuals/Hindu undivided Family																						
	Govind Modani*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	0	0	Negligible	0	0	0	0	100	0	0	0
	Gaurav Seth *	1	100	0	0	100	Negligible	100	0	100	Negligible	0	0	0	Negligible	0	0	0	0	100	0	0	0
	Abhishikta Munjal *	1	100	0	0	100	Negligible	100	0	100	Negligible	0	0	0	Negligible	0	0	0	0	100	0	0	0
	Monu Ratra*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	0	0	Negligible	0	0	0	0	100	0	0	0
	Ajay Jaiswal*	1	100	0	0	100	Negligible	100	0	100	Negligible	0	0	0	Negligible	0	0	0	0	100	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sr. No.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV) Rights – Class eg: X	Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV) Rights – Class eg:y	Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV) Rights – Total	Number of Voting Rights held in each class of securities (IX) – Total as a % of Total Voting rights	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) – No. (a)	Number of Locked in shares (XII) – As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) – No. (a)	Number of Shares pledged or otherwise encumbered (XIII) – As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares – Shareholding (No. of shares) under – Sub-category (i)	Sub-categorization of shares – Shareholding (No. of shares) under – Sub-category (ii)	Sub-categorization of shares – Shareholding (No. of shares) under – Sub-category (iii)
(d)	Any Other (specify)	1	2,09,67,681	0	0	2,09,67,681	79.59	0	0	0	79.59	0	0	0	79.59	0	0	0	0	2,09,67,681	0	0	0
Sub-Total (A)(1)		**6**	**2,09,68,181**	**0**	**0**	**2,09,68,181**	**79.59**	**0**	**0**	**0**	**79.59**	**0**	**0**	**0**	**79.59**	**0**	**0**	**0**	**0**	**2,09,68,181**	**0**	**0**	**0**
(2)	**Foreign**																						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**6**	**2,09,68,181**	**0**	**0**	**2,09,68,181**	**79.59**	**0**	**0**	**0**	**79.59**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,09,68,181**	**0**	**0**	**0**

Table III - Statement showing shareholding pattern of the Public shareholder

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
1	**Institutions(Domestic)**																						
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Asset reconstruction companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(j)	Other Financial Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg :y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(k)	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2)	**Institutions (Foreign)**																						
(a)	Foreign Direct Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investors Category I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investors Category II	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(3)	**Central Government / State Government(s)**																						
(a)	Central Government / President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	State Government / Governor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total (B)(3)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(4)	**Non-institutions**																						
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Directors and their relatives (excluding independent directors and	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	nominee directors)																						
(c)	Key Managerial Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Investor Education and	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	Protection Fund (IEPF)																						
(g)	Resident Individuals holding nominal share capital up to ₹ 2 lakhs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	Non Resident Indians (NRIs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(j)	Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	Foreign Companies	1	53,76,457	0	0	53,76,457	20.41	53,76,457	0	53,76,457	20.41	0	0	0	20.41	0	0	0	0	53,76,457	0	0	0
(l)	Bodies Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(m)	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg:y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Sub-Total (B)(4)		1	53,76,457	0	0	53,76,457	20.41	53,76,457	0	53,76,457	20.41	0	0	0	20.41	0	0	0	0	53,76,457	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)		1	53,76,457	0	0	53,76,457	20.41	53,76,457	0	53,76,457	20.41	0	0	0	20.41	0	0	0	0	53,76,457	0	0	0

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
								No of Voting (XIV) Rights			Total as a % of Total Voting rights										Shareholding (No. of shares) under		
								Class eg: X	Class eg: y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2)	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Nonpromoted- Non Public Shareholding (C)= (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Statement of Capitalization

A. Statement of capitalization on a standalone basis as on September 30, 2024:

(₹ in crores unless otherwise stated)

Particulars	**Pre-Issue as at September 30, 2024**	**Adjusted Post Issue as at September 30, 2024***
Borrowings		
Debt Securities (1)	3,738.95	6,738.95
Subordinated Liabilities (2)	816.52	816.52
Borrowings (Other than Debt Securities) (3)	12,312.07	12,312.07
Total Borrowings (A) (1+2+3)	**16,867.54**	**19,867.54**
Equity		
Equity Share Capital (1)	26.34	26.34
Other Equity (2)	7,026.07	7,026.07
Total Equity (B) (1+2)	**7,052.41**	7,052.41
Total Borrowings/ Total Equity Ratio (C= A/B) (No. of times)	**2.39**	**2.82**

**The total borrowings/total equity ratio post Issue in indicative on account of the assumed inflow of ₹ 3,000 Crores from the proposed Issue. The actual total borrowings/total equity ratio post the Issue would depend on the actual position of borrowings and equity on the Deemed Date of Allotment.*

B. Statement of capitalization on a consolidated basis as on September 30, 2024:

(₹ in crores unless otherwise stated)

Particulars	**Pre-Issue as at September 30, 2024**	**Adjusted Post Issue as at September 30, 2024***
Borrowings		
Debt Securities (1)	3,738.95	6,738.95
Subordinated Liabilities (2)	816.52	816.52
Borrowings (Other than Debt Securities) (3)	12,312.07	12,312.07
Total Borrowings (A) (1+2+3)	**16,867.54**	**19,867.54**
Equity		
Equity Share Capital (1)	26.34	26.34
Other Equity (2)	7,003.87	7,003.87
Total Equity (B) (1+2)	**7,030.21**	**7,030.21**
Total Borrowings / Total Equity Ratio (C= A/B) (No. of times)	**2.40**	**2.83**

**The total borrowings/total equity ratio post Issue in indicative on account of the assumed inflow of ₹ 3,000 Crores from the proposed Issue. The actual total borrowings/total equity ratio post the Issue would depend on the actual position of borrowings and equity on the Deemed Date of Allotment.*

C. Statement of capitalization on a standalone basis as on March 31, 2024:

(₹ in crores unless otherwise stated)

Particulars	**Pre-Issue as at March 31, 2024**	**Post Issue as Adjusted basis March 31, 2024***
Borrowings		
Debt Securities (1)	3,613.04	6,613.04
Subordinated Liabilities (2)	1,037.38	1,037.38
Borrowings (Other than Debt Securities) (3)	13,033.19	13,033.19
Total Borrowings (A) (1+2+3)	**17,683.61**	**20,683.61**
Equity		
Equity Share Capital (1)	26.34	26.34
Other Equity (2)	6,421.06	6,421.06

(₹ in crores unless otherwise stated)

Particulars	Pre-Issue as at March 31, 2024	Post Issue as Adjusted basis March 31, 2024*
Total Equity (B) (1+2)	**6,447.40**	**6,447.40**
Total Borrowings/ Total Equity Ratio (C= A/B) (No. of times)	**2.74**	**3.21**

**The total borrowings/total equity ratio post Issue in indicative on account of the assumed inflow of ₹ 3,000 Crores from the proposed Issue. The actual total borrowings/total equity ratio post the Issue would depend on the actual position of borrowings and equity on the Deemed Date of Allotment.*

D. Statement of capitalization on a consolidated basis as on March 31, 2024:

(₹ in crores unless otherwise stated)

Particulars	Pre-Issue as at March 31, 2024	Post Issue as Adjusted basis March 31, 2024*
Borrowings		
Debt Securities (1)	3,613.04	6,613.04
Subordinated Liabilities (2)	1,037.38	1,037.38
Borrowings (Other than Debt Securities) (3)	13,033.18	13,033.18
Total Borrowings (A) (1+2+3)	**17,683.60**	**20,683.60**
Equity		
Equity Share Capital (1)	26.34	26.34
Other Equity (2)	6,411.71	6,411.71
Total Equity (B) (1+2)	**6,438.05**	**6438.05**
Total Borrowings/ Total Equity Ratio (C= A/B) (No. of times)	**2.75**	**3.21**

**The total borrowings/total equity ratio post Issue in indicative on account of the assumed inflow of ₹ 3,000 Crores from the proposed Issue. The actual total borrowings/total equity ratio post the Issue would depend on the actual position of borrowings and equity on the Deemed Date of Allotment.*

Details of change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI

There has been no change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

Statement of the aggregate number of securities of our Company and our Subsidiaries purchased or sold by our Promoters, Promoter Group, our Directors and the directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Shelf Prospectus.

Except for the details as set out in the table below, no securities of our Company and Subsidiaries have been purchased or sold by our Promoters, promoter group, our Directors, directors of our Promoters and/or their relatives within six months immediately preceding the date of filing of this Shelf Prospectus.

Equity Shares/ Non- Convertible Debentures of our Company, sold/purchased by our Promoter, directors of our Promoters and/or their relatives and Promoter Group

Equity Shares:

NIL

Non- Convertible Debentures:

NIL

Equity Shares /Non-Convertible Debentures of our Company sold/purchased by our Directors & their Relatives

Equity Shares:

NIL

Non- Convertible Debentures:

NIL

Equity Shares/Non-Convertible Debentures of our Company, sold/purchased by our group companies

Equity Shares:

NIL

Non- Convertible Debentures:

#	Name of the Group Company	Date of transaction	Nature of NCD	Face Value (In ₹)	Number of NCDs Purchased	Number of NCDs Sold
1.	360 One Prime Limited	April 25, 2024	ISIN: (INE477L07990)	10,00,000	NA	14 (Redemption of NCD by Prime) by 360 One Prime Limited
2.	360 One WAM Limited	April 25, 2024	ISIN: (INE477L08139	10,00,000	60	-
3.	360 One WAM Limited	April 25, 2024	ISIN: (INE477L08139	10,00,000	182	-
4.	360 One WAM Limited	June 12, 2024	ISIN: (INE477L08139	10,00,000	NA	429 (Redemption of NCDs)

Equity Shares/ Non- Convertible Debentures of our Subsidiaries, sold/purchased by our Promoter, directors of our Promoters and/or their relatives and Promoter Group

Equity Shares:

NIL

Non- Convertible Debentures:

NIL

Equity Shares /Non-Convertible Debentures of our Subsidiaries sold/purchased by our Directors & their Relatives

Equity Shares:

NIL

Non- Convertible Debentures:

NIL

Equity Shares/Non-Convertible Debentures of our Subsidiaries, sold/purchased by our group companies

Equity Shares:

NIL

Non- Convertible Debentures:

NIL

For details on the total outstanding borrowings of our Company, please refer to *"Financial Indebtedness"* on page 201.

Shareholding of Directors in our Company

Except as disclosed below, no Directors holds securities in our Company as on September 30, 2024:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 10 each	Number of Stock Options Outstanding	% of total Equity Shares of our Company
1.	Monu Ratra, Executive Director & CEO, 07406284	100*	2,68,822	0.00

**Holds as a nominee shareholder of IIFL Finance Limited*

Details of Promoter's shareholding in our Company's Subsidiaries

Nil

Details of shareholding of our Directors in our Subsidiaries, Associate or Joint Ventures as of date of this Shelf Prospectus

As on the date of this Shelf Prospectus, None of our Directors hold directorship in our Subsidiary i.e. IIHFL Sales Limited. Further, there are no Associates and Joint Ventures of our Company.

Details of Promoter's shareholding in our Subsidiaries, Joint Venture and Associate Companies

NA

Details of any acquisition or amalgamation in the last one year prior to the date of this Shelf Prospectus.

There has been no acquisition or amalgamation or reorganization or reconstruction in the last one year with respect to our Company.

Details of any reorganization or reconstruction in the last one year prior to the date of this Shelf Prospectus.

There has been no reorganization or reconstruction in the last one year with respect to our Company.

Details of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

Other than as disclosed in the section "*Financial Indebtedness*" on page 201, no debt securities were issued at a premium or a discount by the Company.

Details of Employee Stock option Scheme.

The Company has a running ESOP plan - IIFL HFL ESOP – 2022. The objective of the Plan is to attract, retain and reward employees performing services for the Company by sharing the value created by them. Thus, motivating such employees to contribute to the growth and profitability of the Company. The Plan is established as per the approval granted by the shareholders by a special resolution on August 4, 2022 and amended vide shareholders resolution dated December 05, 2022, June 29, 2023 and November 21, 2024 respectively . As on September 30, 2024, 76 employees have been granted ESOPs under the aforesaid plan.

The details with respect to the ESOP Plan – IIFL HFL ESOP – 2022 are set forth below as on the date of this Shelf Prospectus:

Total no. of Options	5,37,746
Options Granted	4,85,125
Options Vested	0
Options Exercised	0
Options cancelled / lapsed / forfeited	15,074
Total options outstanding	4,70,051

OBJECTS OF THE ISSUE

Our Company has filed this Shelf Prospectus for a public issue of secured, rated, listed, redeemable, NCDs for an amount up to ₹ 3,000 crore (the "**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue, which should be read together with the Draft Shelf Prospectus and this Shelf Prospectus.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**") towards funding the objects listed under this section.

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount *(₹ in crores unless otherwise stated)*
Gross proceeds of the Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Less: Issue related expenses*	As specified in the relevant Tranche Prospectus for each Tranche Issue
Net proceeds	As specified in the relevant Tranche Prospectus for each Tranche Issue

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue (collectively, referred to herein as the "**Objects**") and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
a.	For the purpose of onward lending, financing / refinancing the existing indebtedness of our Company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of our Company)*	At least 75%
b.	General Corporate Purposes**	Maximum up to 25%
	Total	**100%**

**Our Company will not utilise the proceeds of this Issue towards payment of prepayment penalty, if any*
***The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Issue related expenses break-up

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Purpose for which there is a requirement of funds

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Funding Plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

Summary of the project appraisal report

Our Company confirms that for the purpose of this Issue, project appraisal report will not be applicable.

Schedule of implementation of the project

Not Applicable

Monitoring and reporting of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2025, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e., 75% of base issue size for relevant Tranche Issue as specified in relevant Tranche Prospectus, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchange. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, shall submit to the stock exchange a statement indicating the utilization of issue proceeds of non-convertible securities, which shall continue to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. Our Company shall utilise the proceeds of the Issue only upon execution of the documents for creation of Security and the Debenture Trust Deed and receipt of listing and trading approval from the Stock Exchange as stated in the section titled "*Terms of the Issue*" on page 320 of this Shelf Prospectus.

Interim use of proceeds

Our management, in accordance with the policies formulated by it from time to time,will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds as may be approved by the Board of Directors. Such investment would be in accordance with applicable law and the investment policies approved by the Board of Directors or any committee thereof from time to time.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by our Board of Directors or duly authorized committee thereof.

Other Confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the Promoter Group or Group Companies.

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, Senior Management Personnel or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under RBI Regulations.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Our Company confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue.

Variation in terms of contract or objects in this Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Shelf Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in the relevant Tranche Prospectus.

Benefit / interest accruing to Promoter/Directors/ Key Managerial Person/ Senior Management Personnel out of the object of the Issue

Neither our Promoter nor the Directors or Key Managerial Person or Senior Management Personnel of our Company are interested in the Objects of this Issue.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO DEBENTURE HOLDERS

The Board of Directors,
IIFL Home Finance Limited
Plot No, 98, Udyog Vihar, Phase -IV,
Gurgaon – 122015, Haryana
India

Dear Sirs,

Re: Statement of Possible Tax Benefits available to the debenture holders of IIFL Home Finance Limited ("Company") in connection with the proposed public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("NCDs" or "Debentures") (hereinafter referred to as the "Issue")

1. We, S.R. Batliboi & Associates LLP ("SRBA") and Sundaram & Srinivasan ("S&S") hereby confirm that the enclosed 'Statement of Possible Tax Benefits available to the Debenture Holders' ("Annexure"), prepared by the Company, provides the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.

2. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling of such conditions which, debenture holders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated in the Annexure is the responsibility of the management of the Company. We are informed that this Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

4. We do not express any opinion or provide any assurance as to whether:

   i) the debenture holders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This Statement has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with the proposed Issue and should not be used by anyone else, or should not be referred to or distributed for any other purpose.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049E/E300004

per **Amit Kabra**
Partner
Membership Number: 094533

Place of Signature**:** Gurugram
UDIN: 24094533BKEXKT5466
Date: September 30, 2024

For Sundaram & Srinivasan
Chartered Accountants
ICAI Firm Registration Number: 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914

Place of Signature**:** Chennai
UDIN: 24217914BKBOZR1275
Date: September 30, 2024

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S) OF IIFL HOME FINANCE LIMITED ('THE COMPANY')

This Annexure is based on the provisions of the Income-tax Act, 1961 ('IT Act') in force as on the current date, after considering the amendments made by the Finance Act, 2024 ('FA, 2024').

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

<u>Taxability under the IT Act</u>

<u>Section 50AA of the IT Act</u>

The Finance Act, 2023 has inserted section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation to Section 50AA to mean "*a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.*"

Based on the definition, MLD has the following essential features:

• It is a security in the nature of debt;
• It has an underlying principal component;
• Returns with respect to such security are linked to market returns on other underlying securities or indices;
• And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of section 50AA of the IT Act, be deemed to be an MLD

The Non-Convertible Debentures (NCDs) issued/ proposed to be issued by the issuer creates a borrower-lender relationship between the issuer and subscriber and to that extent, such NCDs constitute a security in the nature of debt.

Further, such NCDs, by their very nature, have a principal component (which is the price at which the subscriber subscribes to such NCDs).

However, the returns with respect to such NCDs (excess of redemption value over the principal component) is a fixed return and is not linked to any market return or underlying security or indices.

Given the same, the NCDs issued by the issuer do not satisfy the first limb of the definition of MLD as provided in the explanation to section 50AA of the IT Act and thus, such NCDs should not constitute an MLD for the purposes of section 50AA of the IT Act.

The second limb of the definition of MLD which deems any security classified or regulated by SEBI as an MLD, to be an MLD for the purposes of section 50AA of the IT Act, is an independent limb and need to be construed as such. We have been given to understand that, at present, the NCD issued/ proposed to be issued by the issuer is neither classified nor regulated by the SEBI as an MLD and accordingly, the NCDs issued by the issuer should not constitute an MLD for the purposes of section 50AA of the IT Act. However, the said fact-pattern would have to be re-visited in light of any amendment in the law as may be notified by SEBI in future.

A. <u>Common provisions applicable to both Resident and Non-Resident debenture holders:</u>

1. Determination of head of income for the purpose of assessability:

The returns received by the investors from the Non-Convertible Debentures ('NCD') in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining the appropriate head of income (as mentioned above) *vis-à-vis* the income or loss earned on/from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the NCD are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia,* securities held by a Foreign Institutional Investor ('FII') [now known as Foreign Portfolio Investor ('FPI')] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FPI, will be characterised as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.

2. Taxation of Interest and Gain/ loss on transfer of debentures:

\- ***Taxation of Interest***

Income by way of interest received on NCD held as 'Investments' (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as 'Stock-in-trade', interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction while computing income under the head PGBP.

The investors may obtain specific advice from their tax advisors regarding the tax treatment of their Interest income.

\- ***Taxation of gain or loss on transfer***

(a) Taxable under the head PGBP

As discussed above, depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses under the head PGBP/allowances under Chapter IV – Part D of the IT Act).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.

(b) Taxable under the head Capital Gains

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

Investors should, however, seek specific advice from their tax advisors/ consultants in respect of characterization of capital gains, the manner of computation and the tax to be paid thereon.

3. Period of holding and Capital gain – long term & short term:

As per section 2(29AA) read with section 2(42A) of the IT Act, listed NCD is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and consequently, the gain/ loss on transfer of such NCD should be treated as long term capital gain/ loss.

Accordingly, if listed NCD is held for upto 12 months immediately preceding the date of its transfer, the same should be treated as a short-term capital asset and the gain/ loss on transfer of such NCD should be treated as short-term capital gain/ loss.

Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed on account of Securities Transaction Tax (STT) paid, if any.

4. Computation of capital gains and tax thereon

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset [full value of consideration (FVC)], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

5. Set off of capital losses

As per section 74 of the IT Act, long-term capital loss incurred during a year can be set-off only against long term capital gains arising in that year or in subsequent years and cannot be set-off against short-term capital gains arising in that year or in subsequent years. The long-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be for set-off against subsequent years' long-term capital gains.

On the other hand, short-term capital loss incurred during a year can be set-off against both, short-term and long-term capital gains of the same year or of subsequent years. The short-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be set-off against subsequent years' short-term as well as long-term capital gains.

B. Tax benefits available to Resident NCD holders:

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax (Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.

As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 12.5% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexing the cost of acquisition (Fourth *proviso* to Section 48 restricts indexation benefit in case of long-term capital asset being a bond or debenture).

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

C. Tax benefits available to Non-Resident debenture holders:

- A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:

- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

- As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such debentures will be taxable at 12.5% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of CoA. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.

- Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the whole of the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein.

- Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the IT Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the IT Act in accordance with and subject to the provisions contained therein.

- Under section 115H of the IT Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In such a case, long-term capital gains on transfer of listed debentures would be subject to tax at the rate of 12.5% (plus applicable surcharge and cess – Note 2 below) computed without indexation of CoA.

- Interest income and short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.

- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.

- Where debentures are held as stock-in-trade, the income on transfer of debentures would be taxed as business income in accordance with and subject to the provisions of the IT Act.

- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995, issued by the Central Board of Direct Taxes (‘CBDT’), in the case of a remittance to a country with which a Double Tax Avoidance Agreement (‘DTAA’) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

  As per Rule 21AB of Income Tax Rules, 1962 (‘the Rules’), the following information shall be provided by an assessee in mandatory electronic Form No. 10F to avail the benefit under Section 90A, namely:—

(i) Status (individual, company, firm etc.) of the assessee;
(ii) Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);
(iii) Assessee's tax identification number in the country or specified territory of residence and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the asseessee claims to be a resident;
(iv) Period for which the residential status, as mentioned in the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A, is applicable; and
(v) Address of the assessee in the country or specified territory outside India, during the period for which the certificate, as mentioned in (iv) above, is applicable.

Submission of a valid and subsisting tax residency certificate ('TRC') and other documents as notified under the IT Act is a mandatory condition for availing benefits under any DTAA.

D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio ` Investors ('FPI's):

- In accordance with and subject to the provisions of section 115AD of the IT Act,

  ✓ Long-term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess – Note 2 below)
  ✓ Short-term capital gain are taxable at 30% on transfer of debentures (plus applicable surcharge and cess – Note 2 below)

  The benefit of indexation of CoA will not be available.

- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.

- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).

- The CBDT has issued Notification No.9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

E. Withholding provisions

The withholding provisions provided under the IT Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below:

S. No	Scenarios	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	➢ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent. ➢ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if; • the amount of interest paid to such person in a financial year does not exceed INR 5,000; and • such interest is paid by an account payee cheque ➢ Further, prior to FA 2023, no tax was required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. However, the FA, 2023 has omitted the aforesaid exemption and thus, any interest paid or credited on

		or after 1 April 2023, with respect to any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder shall be liable to tax withholding as applicable.
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FII)	▪ Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1st day of July 2023. The FA, 2023 has extended the applicability of section 194LC of the IT Act with the following modification: 1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominate bond on or after 1 July 2023 where such bond is listed on a recognised stock exchange located in an International Financial Services Centre. 2. The rate of tax in case of the aforesaid borrowings shall be 9 per cent. 3. With respect to the borrowings made prior to 1 July 2023, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply *sans* the modification discussed *supra*. 4. No extension of date for payment of interest in case of section 194LD of the IT Act has been made by the FA, 2023. Where such remains the case, interest therein shall then be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits. ▪ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.
3	Withholding tax rate on interest on NCD issued to non-residents other than FIIs	▪ Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident. ▪ Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the provisions of section 194LC of the IT Act and meets the conditions mentioned therein which *inter-alia* includes the loan / bond being issued prior to/ on or after 1st July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc. ▪ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.
4	Withholding tax rate on purchase of 'goods'	▪ As per section 194Q of the IT Act, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent. ▪ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceeding the financial year in which the purchase is carried

		out. ▪ TDS shall not be applicable where; a. Tax is deductible under any of the provisions of the IT Act; or b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies ▪ The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the IT Act. It *inter alia* provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC). ▪ Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding applicability of these provisions.

F. ***Requirement to furnish PAN under the IT Act***

i. Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.

ii. As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at higher of the following rates in case the deductee has not furnished PAN to the payer or PAN which are inoperative (i.e. PAN which are not linked with aadhar):

(a) at the rate in force specified in the relevant provision of the IT Act; or

(b) at the rates in force; or

(c) at the rate of twenty per cent

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, as per Rule 37BC of the Income-tax Rules, 1962 ('the Rules'), the provisions of section 206AA shall not apply to non-residents (not having PAN) where the non-residents provide the following information to the payer of such income:

However, this shall apply only to interest, royalty, fees for technical services, dividend and payments on transfer of any capital asset.

• Name, email-id, contact number;

• Address in the country or specified territory outside India of which the deductee is a resident;

• A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

• Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

iii. Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:

• twice the rate specified in the relevant provision of the IT Act; or

• twice the rate or rates in force; or

• the rate of 5%

In cases, where both section 206AA and section 206AB of the IT Act are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.

For the purpose of section 206AB of the IT Act, specified person means any person-

• Who has not filed an income-tax return for the AY relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, and the prescribed time limit to file the income-tax return has expired;

• The aggregate amount of TDS is INR 50,000 or more in each of these previous years

But other than a non-resident who does not have a permanent establishment in India. Further, FA, 2023 has carved-out from the definition of 'specified person' under section 206AB of the IT Act, a person who is not required to file/ furnish a return of income and who, in that behalf, is notified by the Central Government *vide* the Official Gazette.

G. General Anti Avoidance Rules ("GAAR")

The General Anti Avoidance Rule (''GAAR'') was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

H. Exemption under Section 54F of the IT Act

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.

Section 54F of the IT Act exempts long-term capital gains on transfer of any long-term capital asset (other than a residential house), held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within the specified timelines.

Note 1: Tax Rates

Resident Individuals and Hindu Undivided Families:

The FA, 2023 has amended section 115BAC of the IT Act by, *inter alia,* inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable:

Slab	Tax Rate
Total income up to INR 3,00,000	Nil
More than INR 3,00,000 but up to INR 7,00,000	5 per cent of excess over INR 3,00,000
More than INR 7,00,000 but up to INR 10,00,000	10 per cent of excess over INR 7,00,000 + INR 20,000
More than INR 10,00,000 but up to INR 12,00,000	15 per cent of excess over INR 9,00,000 + INR 50,000
More than INR 12,00,000 but up to INR 15,00,000	20 per cent of excess over INR 12,00,000 + INR 80,000
More than INR 15,00,000	30 per cent of excess over INR 15,00,000 + INR 1,40,000

In computing the income-tax under the new regime, certain deductions like standard deduction available to salaried taxpayers, etc., shall be allowed. However, most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs 7,00,000) whose income is chargeable to tax under subsection (1A) of section 115BAC can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less. Further, where the total income exceeds Rs 7,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs 7,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

Income	Tax rate*
Up to INR 2,50,000#	NIL
Exceeding INR 2,50,000 up to INR 5,00,000@	5 per cent of the amount by which the total income exceeds INR 2,50,000
Exceeding INR 5,00,000 up to INR 10,00,000	20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500$
Exceeding INR 10,00,000	30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500$

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.

* plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge,if applicable).

for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above (“super senior citizen) Rs 250,000’ has to be read as Rs 500,000.

$Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

Partnership Firms & LLP’s:
The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

Domestic Companies:

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of upto Rs 400 Crore in FY 2020-21 (For AY 2023-24) and in FY 2021-22 (For AY 2024-25)	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable

Domestic companies not falling under any of the above category	30 per cent	15 per cent

Note 2: Surcharge (as applicable to the tax charged on income)

Non-corporate assessees (other than firm, co-operative societies and FIIs):

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore	15 per cent on total tax *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.*

Note: *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.*

As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.

FIIs (Non – corporate):

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

Note: The FA, 2023 has capped the highest surcharge rate to 25 per cent.

For assessees other than those covered above:

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where total income does not exceed Rs 1 crore
	From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore
	7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where total income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore
	2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where total income exceeds Rs 10 crore

A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of NCD.
- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2024) relevant for the AY 2025-26 corresponding to the FY 2024-25.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information under this section has been derived and extracted from the industry report titled "Industry report on Housing finance" dated October, 2024 ("Industry report on Housing finance") prepared and issued by CRISIL MI&A in an "as is where is basis" and the industry and third-party related information in this section has not been independently verified by us, the Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Shelf Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with "Risk Factors" and "Our Business" on pages 22 and 116. References to various segments in the Crisil Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the Crisil Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments.

Global economic overview

India is projected to maintain its position as one of the world's most rapidly expanding economies

The Indian economy has been one of the fastest-growing major economies globally during fiscal 2024. It logged a robust 8.2% growth on the back of strong domestic fundamentals and benign inflation expectations.

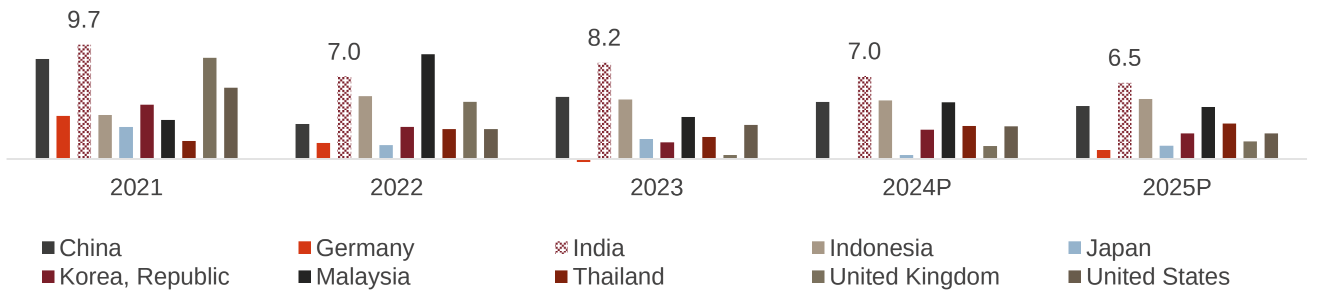
CRISIL MI&A Research projects economic growth to moderate at 6.8% in fiscal 2025, largely due to cyclical factors. Further, as of this fiscal, global growth is expected to slow even as the impact of the Reserve Bank of India's (RBI's) rate hikes on domestic demand plays out. The impact of the escalation of the Middle East conflict on energy and logistics costs will remain a key monitorable.

According to the World Economic Outlook's October 2024 forecasts, the global economic growth prospects remain largely stable, with no significant changes expected as of October 2024, with GDP growth expected to hold at 3.2% in 2024 and 2025.

The forecast for advanced economies shows a slower decline in inflation in 2024 and 2025, due to persistent service price inflation and higher commodity prices. However, as labour markets cool down and energy prices drop, headline inflation is expected to return to target levels by the end of 2025. In contrast, inflation is expected to remain higher and decline more slowly in emerging markets and developing economies, although it has already returned to pre-pandemic levels in many of these countries, partly due to falling energy prices.

The US Federal Reserve's cut its benchmark rate by 50 basis points in September 2024, which allows Asia-Pacific central banks to take some time before they pivot on their monetary policies. After the Fed's 50 bps rate cut in September, S&P Global expects another 50 bps cut in 2024, and 125 bps cut in 2025.

On-year real GDP change percentage



*Note: All forecasts refer to IMF forecasts. *Forecast for the calendar year, while for India, it is fiscal, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected*

Source: International Monetary Fund (IMF October 2024 World Economic outlook), CRISIL MI&A Research

While the global growth projection is unchanged at 3.2% in 2024 and 2025, there have been notable revisions. The US forecast has been upgraded, offsetting downgrades to other advanced economies, particularly in Europe. In emerging markets, disruptions in the Middle East and Africa have been balanced by upgrades in emerging Asia, driven by strong demand for semiconductors and electronics. China's growth forecast has been increased to 4.8% in 2024, due to a rebound in private consumption and strong net exports, which has offset weakness in the real estate sector and low consumer confidence. However, growth is expected to slow down to 4.5% in 2025 and continue to decelerate to 3.3% by 2029, due to challenges from an aging population and slowing productivity growth. India's growth forecast has also been revised upwards to 7.0% this year, driven by carryover from previous upward revisions and improved prospects for private consumption, especially in rural areas.

Country	2021	2022	2023	2024P	2025P
China	8.4	3.0	5.3	4.8	4.5
Germany	3.7	1.4	-0.3	0.0	0.8
India	9.7	7.0	8.2	7.0	6.5
Indonesia	3.7	5.3	5.0	5.0	5.1
Japan	2.7	1.2	1.7	0.3	1.1
Korea, Republic	4.6	2.7	1.4	2.5	2.2
Malaysia	3.3	8.9	3.6	4.8	4.4
Thailand	1.6	2.5	1.9	2.8	3.0
United Kingdom	8.6	4.8	0.3	1.1	1.5
United States	6.1	2.5	2.9	2.8	2.2

*Note: All forecasts refer to IMF forecasts. *Forecast for the calendar year, while for India, it is fiscal, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected*

Source: International Monetary Fund (IMF October 2024 World Economic outlook), CRISIL MI&A Research

Per capita GDP increasing

With GDP growth having gained pace, CRISIL MI&A Research forecasts that the per capita income will gradually improve, enabling domestic consumption over the medium term. As per IMF estimates, India's per capita income (at current prices) is expected to grow annually at ~8% during FY24.

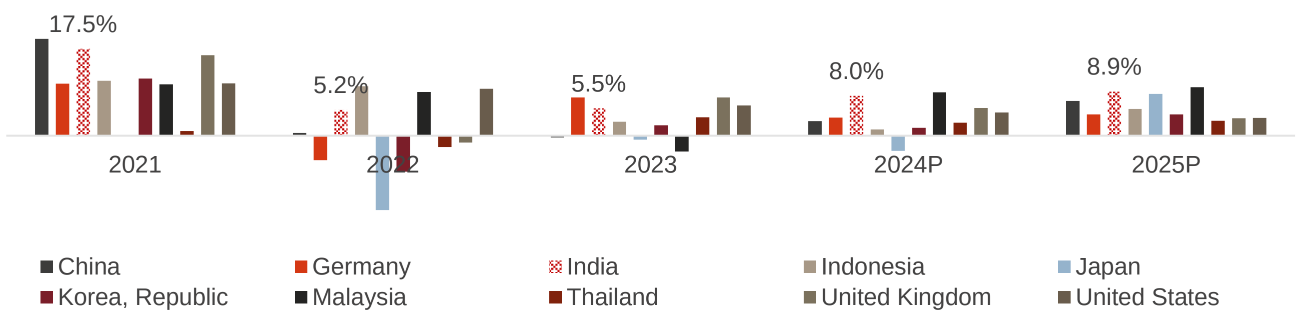
GDP per capital, current prices (US dollar per capita)

Country	2021	2022	2023	2024P	2025P
China	12,572	12,643	12,597	12,969	13,873
Germany	52,301	49,725	53,565	55,521	57,914
India	2,250	2,366	2,497	2,698	2,937
Indonesia	4,351	4,784	4,920	4,981	5,248
Japan	40,161	34,158	33,899	32,859	35,611
Korea, Republic	37,518	34,822	35,563	36,132	37,675
Malaysia	11,474	12,483	12,091	13,142	14,423
Thailand	7,238	7,072	7,336	7,527	7,754
United Kingdom	46,731	46,103	49,648	52,423	54,280
United States	71,258	77,980	82,715	86,601	89,678

Note: Forecast for the calendar year, while for India, it is fiscal year, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected

Source: International Monetary Fund (IMF October 2024 World Economic outlook), CRISIL MI&A Research

Growth in per capita GDP, current prices



Note: *Forecast for the calendar year, while for India, it is fiscal year, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected
Source: International Monetary Fund (IMF October 2024 World Economic outlook), CRISIL MI&A Research

Country	2021	2022	2023	2024P	2025P
China	19.4	0.6	-0.4	2.9	7.0
Germany	10.5	-4.9	7.7	3.7	4.3
India	17.5	5.2	5.5	8.0	8.9
Indonesia	11.0	9.9	2.8	1.2	5.4
Japan	0.0	-14.9	-0.8	-3.1	8.4
Korea, Republic	11.5	-7.2	2.1	1.6	4.3
Malaysia	10.3	8.8	-3.1	8.7	9.7
Thailand	0.9	-2.3	3.7	2.6	3.0
United Kingdom	16.2	-1.3	7.7	5.6	3.5
United States	10.5	9.4	6.1	4.7	3.6

Note: *Forecast for the calendar year, while for India, it is fiscal year, i.e., 2021 = fiscal 2022; 2022 = fiscal 2023, P: Projected
Source: International Monetary Fund (IMF October 2024 World Economic outlook), CRISIL MI&A Research

An overview of the Indian economy

While the global economy faces headwinds, India is poised to continue its growth

Despite grappling with the formidable challenges of Covid-19, geopolitical conflicts, and climate change, the Indian economy has demonstrated notable resilience and exceeded growth expectations. Amid a global slowdown, tighter monetary conditions, and high inflation, India has achieved a higher economic growth rate compared to many of its peers. This success is attributable to strong domestic consumption, lower dependence on global demand, and continued resistance to external headwinds. Optimism prevails as the rural economy shows signs of recovery, while strong growth in manufacturing, robust bank balance sheets, increased credit growth, and high-value manufacturing bolster India's underlying growth potential.

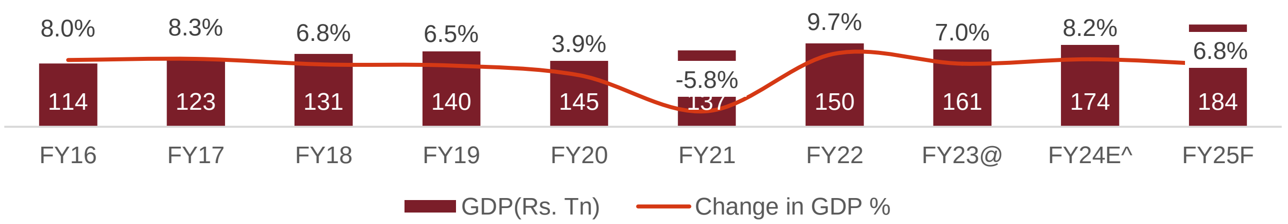
India's gross domestic product (GDP) exceeded expectations yet again. According to the National Statistics Office (NSO)'s second advance estimates (SAE), real GDP accelerated to 8.2% on-year in fiscal 2024 from 7.6% in fiscal 2023. Growth of the past two quarters were revised up (fourth quarter was revised to 7.8% from 5.9%, and third quarter to 8.6% from 8.4%).

After a strong GDP print in the past three fiscals, GDP grew at 6.7% on year in first quarter of fiscal 2025. The print was a deceleration vs the fourth quarter of fiscal 2024, which saw the economy expand at 7.8%. The nominal GDP moderated as well to 9.7% from 9.9% in last quarter of fiscal 2024 but was higher than 8.5% in the year ago quarter.

CRISIL MI&A Research expects the GDP growth to moderate to 6.8% this fiscal after a higher of 8.2% last year, weighted down by high interest rates and low fiscal impulse. Last year's laggards – agriculture and consumption – are poised to rise. Rural demand is expected to drive consumption.

The Indian economy will take support from domestic structural reforms and cyclical levers and can retain and even improve its growth prospects. This can be done by continuing to build infrastructure both digital and physical and undertaking growth-enhancing reforms aimed at improving the ease of doing business. Amid global risks, this can also allow India to grasp opportunities from diversifying global supply chains.

On-year GDP change



Note: F: Forecast, @:1st Revised Estimate, ^: Provisional Estimate
Source: National Statistical Office (NSO), CRISIL MI&A Research

In the near term gradually the government of India will start receding its capex, and expectations the pass on being taken up by the private sector. Some sectors have already been picked up by the private capex such as electronics, EVs and green transition accounted for 16% of incremental capex in fiscals 2023 and 2024.

Macroeconomic outlook

Macro variable	FY23	FY24	FY25F	Rationale for outlook
Real GDP (%, y-o-y)	7.0	8.2^	6.8	High interest rates and lower fiscal impulse (from reduction in fiscal deficit to 5.1% of GDP) will temper domestic demand. Net indirect tax impact on GDP is expected to normalise this fiscal. Uneven growth in key trade partners will restrict healthy export recovery. But budgetary support to capex and rural incomes will support growth.
Consumer price index (CPI)-based inflation (%, y-o-y)	6.7	5.4	4.6	Soft commodity prices and healthier farm output should help moderate inflation. A non-inflationary budget that focuses on asset creation rather than direct cash support bodes well for core inflation and hence monetary policy
Current account balance/ GDP (%)	-2.0	-0.7	-1.0	Softer crude oil prices and moderation in domestic growth will keep trade deficit in check despite tepid exports of goods. Alongside, robust services trade surplus and healthy remittances will keep the current account deficit (CAD) in check
Rs/$ (March end)	82.3	83.0	84.0	Narrower CAD and healthy foreign portfolio flow into debt amid a favourable domestic macro environment will support the rupee
Fiscal deficit (% of GDP)	6.4	5.6	4.9	Continued pursuit of fiscal consolidation aided by moderation in revenue spending and robust tax collections will reduce the fiscal deficit and lead to lower government borrowings from the market
10-year G-sec yield (fiscal-end, %)	7.4	7.1	6.7	Lower gross market borrowings will reduce the pressure on yields. Lower inflation and expected rate cuts by the MPC will create downside pressure on yields. India's inclusion in the JP Morgan Emerging Market Bond Index is favourable for capital flows into government debt

*^National Statistical Office (NSO) third advance estimate; *FY24 and FY25 numbers are government's revised and budget estimates*

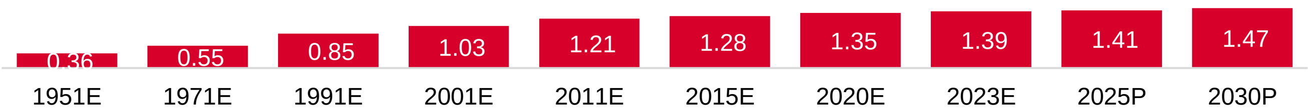
Note: F - forecast
Source: RBI, National Statistical Office (NSO), CRISIL MI&A Research

Indigenous advantages to result in a stronger economic growth rate in the longer term

India has the largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that the decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective. Additionally, as per United Nations Department of Economic and Social Affairs, India has overtaken China as the world's most populous country in April 2023.

India's population growth trajectory (billion)

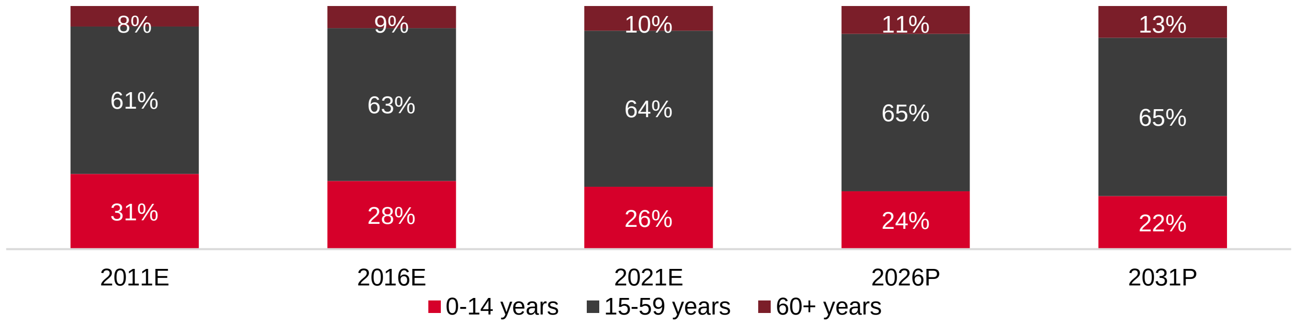


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



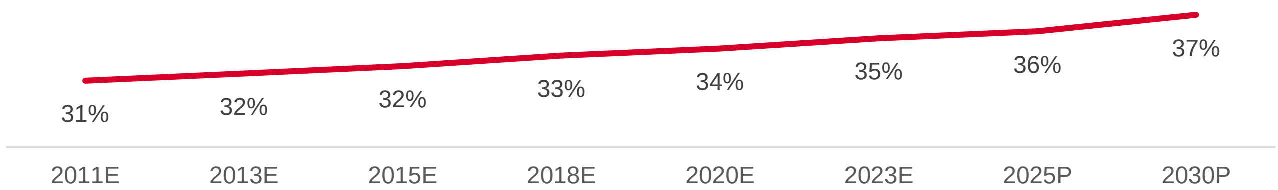
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 36% by 2025 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Housing finance – Review and outlook

Housing loan growth to moderate this fiscal, recover in the next

The Indian housing finance sector—comprising financial institutions (FIs), scheduled commercial banks, scheduled cooperative banks, regional rural banks, agriculture and rural development banks, housing finance companies (HFCs), state-level apex cooperative housing finance societies and non-banking financial companies (NBFCs)—has logged healthy growth in the past four fiscals, riding on an increase in disposable incomes, healthy demand and greater number of players entering the segment.

At the end of fiscal 2024, overall housing finance credit outstanding of banks and NBFCs stood at ~Rs 32,989 billion, up 15% on-year, driven by increasing aspirations of a young population with growing disposable incomes. Demand in smaller cities (Tier 2 and 3) increased as government initiatives and innovative digital tools enabled lenders to better assess cash flow-based incomes, thereby expanding market reach.

Demand for home loans remained resilient despite higher interest rates following the sharp hike in repo rates in fiscal 2023. This was because the Indian economy logged a robust growth of 8.2% and the salaried class was relatively insulated from the impact of rising repo rates, thereby maintaining their appetite for home loans. All these allayed lender concerns about a potential decline in loan quality.

In fiscal 2025, CRISIL MI&A Research expects growth in the overall housing finance market to slow down to 14-15% owing to prolonged high interest rates, leading to lower affordability and the lagged impact of anticipated rate cuts by the Reserve Bank of India (RBI) in the second half of the year, coupled with a relatively slower economic growth rate of 6.8%.

In fiscal 2026, with the full impact of the rate cuts and government initiatives like Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana (PMAY) taking hold, the market is projected to bounce back with 15-16% growth.

Housing finance credit outstanding of NBFCs/HFCs and banks

Type	Share in book FY24 (%)	Book (Rs billion) FY24	CAGR (%) FY20-24	Growth in FY24 (%)	Growth outlook for FY25P (%)	Growth outlook for FY26P (%)
HFCs / NBFCs	20	6,802	11	14	12-13	13-14
Banks	80	27,187	14	16	15-16	15-16
Overall	**100**	**32,989**	**13**	**15**	**14-15**	**15-16**

P: Projection
Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book in the retail housing and commercial real estate segments to arrive at normalised credit growth.
Source: Company reports, RBI, CRISIL MI&A Research

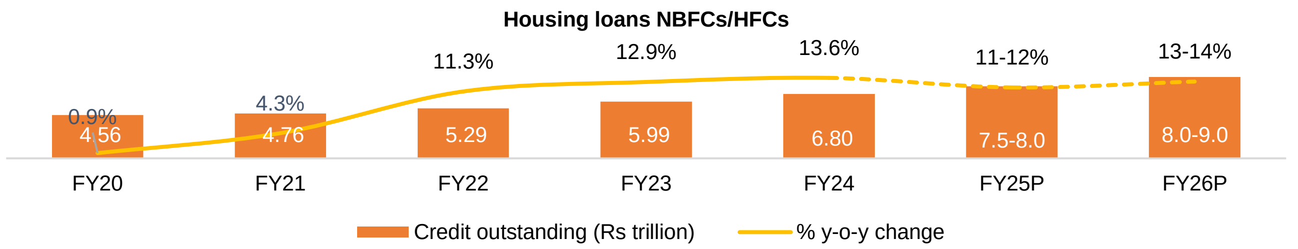
Between fiscals 2020 and 2024, HFCs clocked ~11% CAGR, driven by a combination of factors such as improved affordability, pent-up demand and concessions on stamp duties by state governments. Additional support factors were initiatives from the central government, developer schemes and the RBI's accommodative monetary policy.

In fiscal 2024, some of the top five HFCs underwent significant digital and operational transformation to stay competitive in a rapidly growing market. However, this transformation led to higher operational costs and slower-than-expected growth.

In this fiscal, companies are still in the process of recovering from their transformative changes and are yet to fully harness the benefits of the changes. These companies are focusing on high-yielding mortgage-based portfolios such as loans against property (LAP) and equity loans. Additionally, some of them have established dedicated exposure limits to expand their affordable housing portfolios, aiming to boost yields and ease pressure on their net interest margin (NIM), anticipating rate cuts in the second half of the fiscal.

As fiscal 2026 begins, the benefits of the rate cuts expected in the second half of fiscal 2025 will see transmission, with both consumers and lenders benefitting. Additionally, the government's recently announced policies, including the revival of CLSS and PMAY, will also start to take effect in fiscal 2026, further boosting the market.

Housing credit at HFCs to moderate in fiscal 2025



P: Projection
Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for the estimated loan book of HDFC Limited in the retail housing and commercial real estate segments to arrive at normalised credit growth.

Source: Company reports, RBI, CRISIL MI&A Research

According to CRISIL MI&A Research, housing demand (in million square feet) in the top seven cities recorded a significant surge in fiscal 2024, with 16% increase in demand and 9% rise in capital value. This surge supported ~14% growth in home loans provided by HFCs during the same period. However, growth is expected to slow down to 11-12% this fiscal, as demand (in million square feet) is projected to moderate to 9-11%, while appreciation in property prices will normalise at 4-6%.

The Covid-19 pandemic had a devastating impact on the residential market in 2020 and 2021, causing a decline in demand and resulting in a significant build-up of unsold inventory at an average of 5.5 years to sell. As the pandemic's grip began to loosen in fiscal 2022, the residential market started to recover, and demand began to rebound. This resurgence in demand continued to gain momentum, culminating in a collective release of pent-up demand that was felt in fiscals 2023 and 2024, leading to the average inventory overhang of only 2.88 years.

Residential demand is expected to ease this fiscal as affordability is impacted and consumption is reduced due to prolonged periods of higher interest rates and slowdown in the economy. In anticipation of this impact, developers are expected to moderate annual supply in the near term. Going ahead, as the existing stock is absorbed and demand starts to rise again on the anticipation of fall of repo rates in the second half of fiscal 2025, developers will respond in fiscal 2026 by launching new projects to meet the growing demand.

According to CRISIL MI&A Research, the benefits of the anticipated repo rate cut and increasing demand will be felt in the next fiscal, leading to a moderate 11-12% credit growth in the current fiscal, followed by an uptick of 13-14% credit growth in fiscal 2026.

Affordable-housing finance outpaces overall housing growth

Over the past few fiscals, rapid urbanisation and migration to cities resulted in urban housing shortage, particularly among the economically weaker sections (EWS) of society. In this milieu, new housing projects mushroomed, leading to a sharp rise in disbursements by affordable-housing finance companies (A-HFCs).

Credit growth in the A-HFC segment was led by an aggressive expansion by relatively small HFCs to gain a major share of the affordable and/or, Tier 2 and 3 cities' markets. As this growth was based on new markets and credit underwriting systems under development for EWS and low-income group (LIG) customers, it resulted in a rise in gross non-performing assets (GNPA) in times of economic uncertainty. The segment, however, saw considerable improvement in asset quality after the clarification issued by the RBI on income recognition and asset classification (IRAC) norms.

Demand for housing remained robust throughout fiscal 2024 but slowed down towards the end of the year due to the prolonged period of high interest rates. Additionally, some buyers who were initially looking at affordable housing options opted to stretch their budgets to purchase lower-mid-ticket homes priced at Rs 25-75 lakh, driven by increasing property value.

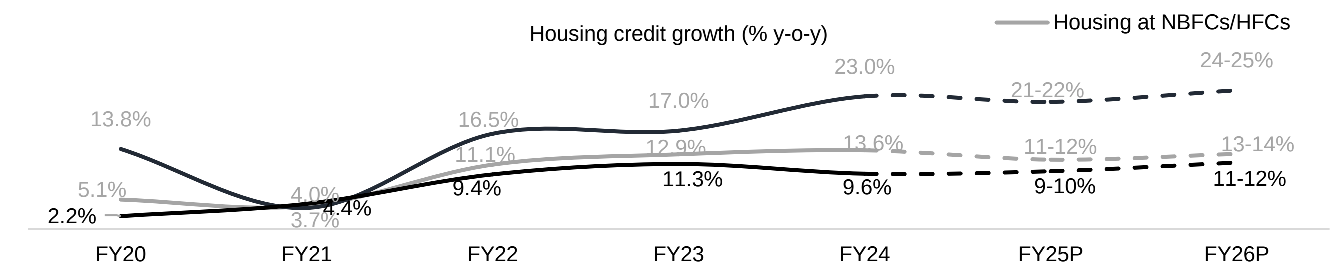
Going forward, a push in the form of Rs 2.2 trillion allocation for the Pradhan Mantri Awas Yojana-Urban (PMAY-Urban) over the next five years announced in Union Budget 2024-25 is likely to revive interest in affordable housing once again, which has lately seen a decline in construction activity, with developers increasingly shifting their focus towards the premium and luxury segments in metros, Tier 2 and 3 cities, etc.

In fact, the credit growth of the A-HFC segment is projected to continue to outpace the overall sector this fiscal. Further, re-introduction of the CLSS after a gap of two years, with an allocation of Rs 40 billion for three income segments – low-income group (LIG), middle-income group and EWS – is expected to support ~1.7 lakh households. The allocation of 3 crore houses under PMAY–Urban and Rural schemes will further boost affordable loan disbursements by banks and non-bank lenders.

The anticipated repo rate cut in the second half of fiscal 2025 is expected to lead to a much-needed relief for the underlying customer base in the next fiscal as affordability is challenged in a rising repo rate environment. Additionally, according to CRISIL MI&A Research, the newly introduced government schemes will gain traction in the next fiscal, leading to a projected moderate growth of 21-22% for A-HFCs this fiscal and a stronger growth of 24-25% in the next fiscal.

Note: CRISIL MI&A Research defines A-HFCs as those disbursing loans of less than Rs 2 million, on average.

A-HFCs: Growth to moderate this fiscal, accelerate in next fiscal



P: Projection,
Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book in the retail housing and commercial real estate segments to arrive at normalised credit growth.
Source: Company reports, RBI, CRISIL MI&A Research

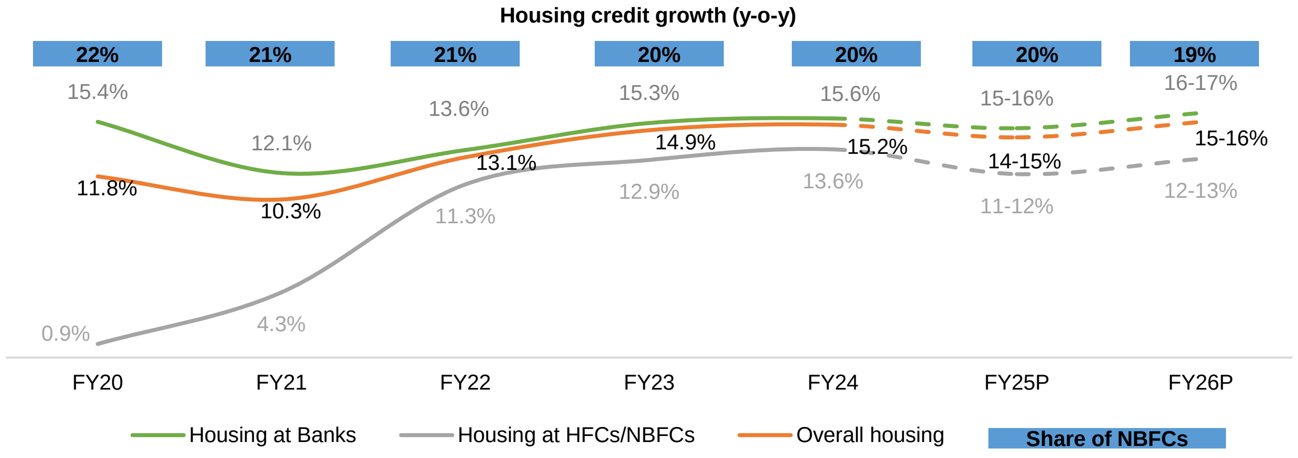
Banks to gain share in the housing finance market

NBFCs/HFCs had a 20% share in the retail housing finance market in March 2024 following the merger of HDFC Limited with HDFC Bank. Before the merger, the share of banks and non-banks stood at 66% and 34%, respectively. The retail housing credit growth of banks has been outpacing non-banks over the past five fiscals, driven by a shift in focus towards more secured retail products.

To reiterate, the overall growth of banks has been better than that of NBFCs owing to their strong deposit base, better presence in Tier 2 and 3 cities, and their capability to offer home loans at lower rates (better cost of funds versus NBFCs/HFCs). The housing loan book of banks grew ~16% vs ~14% for HFCs in fiscal 2024. The strong growth momentum of banks has continued this fiscal when compared with the top five HFCs. In fiscal 2025, the top 5 HFCs are still navigating the aftermath of their transformative overhauls but have not yet reaped the full benefits. However, these HFCs are poised to stabilise in fiscal 2026 and unlock the true potential of their recent changes, setting the stage for accelerated growth.

Housing loan growth for banks is projected to slow down a tad to 15-16% this fiscal, due to a higher base effect from fiscal 2024. However, with the launch of new government schemes and an anticipated repo rate cut, growth is projected to rebound to 16-17% in fiscal 2026.

Banks' housing credit growth to moderate this fiscal and rise the next



P: Projection

Notes:

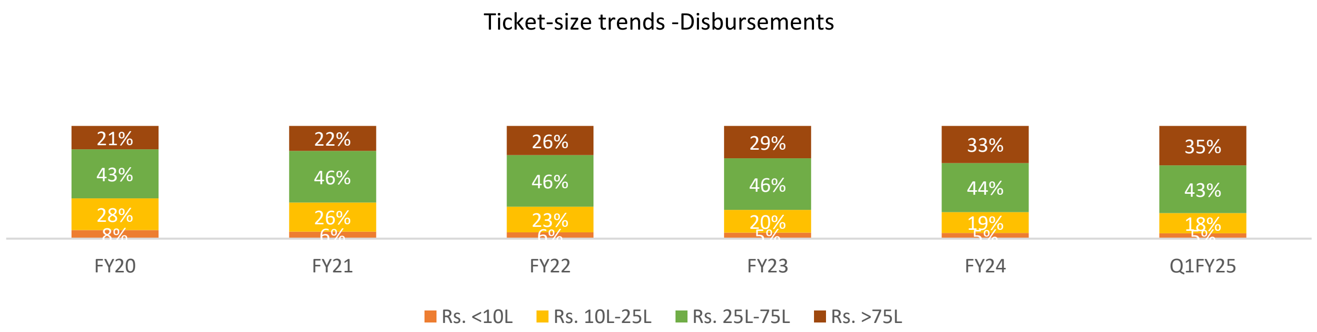
1. Banking credit numbers have been revised in line with the changes in sectoral deployment data published by the RBI. Hence, comparable numbers for the previous fiscal have been revised accordingly.

2. Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited.'s estimated loan book in the retail housing and commercial real estate segments to arrive at normalised credit growth.

Source: Company reports, RBI, CRISIL MI&A Research

Mid-ticket segment's share fell in fiscal 2024

Share of Rs 75 lakh and above rose approximately 400 bps in fiscal 2024



Note: The ticket size-wise share is calculated based on the value of loans disbursed during the coverage period.

Source: Credit Bureau, CRISIL MI&A Research

Between fiscals 2020 and 2023, the mid-ticket loan segment (Rs 25-75 lakh) maintained a steady 46% share of the housing loan market. However, in fiscal 2024, it dropped to 44%, with the high-end segment (loans above Rs 75 lakh) gaining 400 bps on-year, driven by a 9% surge in property prices in the fiscal, the highest in five years. Since income levels of customers kept rising consistently, demand for housing was unaffected.

The proportion of homes priced at Rs 25 lakh and below has been declining since fiscal 2020 due to rising property values. Also, the 250 bps increase in the repo rate has reduced affordability in this segment. On the other hand, the MIG category has seen improved affordability, leading to a shift towards mid-ticket homes priced between Rs 25-75 lakh.

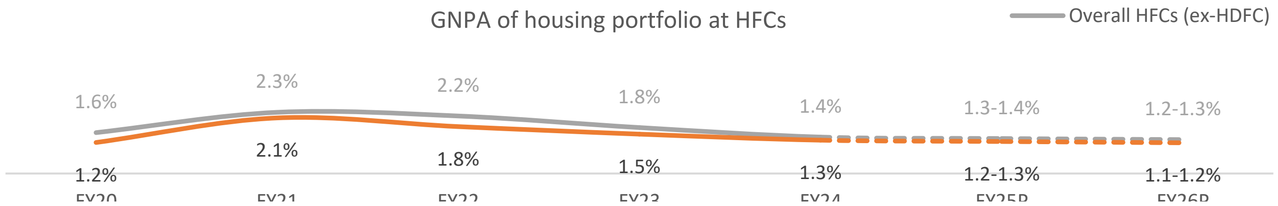
Going ahead, the much-awaited repo rate cuts in the second half of fiscal 2025 are expected to improve affordability for the Rs 25 lakh-and-below ticket size. In addition, government initiatives such as revival of the Credit-Linked Subsidy Scheme and the 30 million houses under the Pradhan Mantri Awas Yojana in urban and rural areas are likely to boost growth in the affordable housing sector in the coming fiscal.

Between fiscals 2020 and 2024, Telangana, Rajasthan and Andhra Pradesh achieved a CAGR of more than 15%, while maintaining high levels of asset quality (below 1%). Madhya Pradesh, Punjab, Bihar and Uttar Pradesh reported moderate credit growth with higher stress levels. Maharashtra, Karnataka, Tamil Nadu, Gujarat and Telangana collectively accounted for more than 55% of overall housing credit in India.

Between fiscals 2020 and 2024, Hyderabad, Ahmedabad and K.V. Rangareddy saw healthy credit growth despite the impact of the pandemic. The cities retained GNPA levels below 1%. Hyderabad performed well owing to a high salaried IT employee base. Ahmedabad and K.V. Rangareddy fared well because of a thriving IT and IT-enabled services sector, large number of government employees and improved infrastructure. Meanwhile, business-oriented regions such as the National Capital Region (Delhi, Gurugram and Noida), Surat and Chennai saw slow credit growth and high GNPA.

Improvement in asset quality expected to remain range bound this fiscal and next

Stable collection and income levels will lead to range bound GNPA

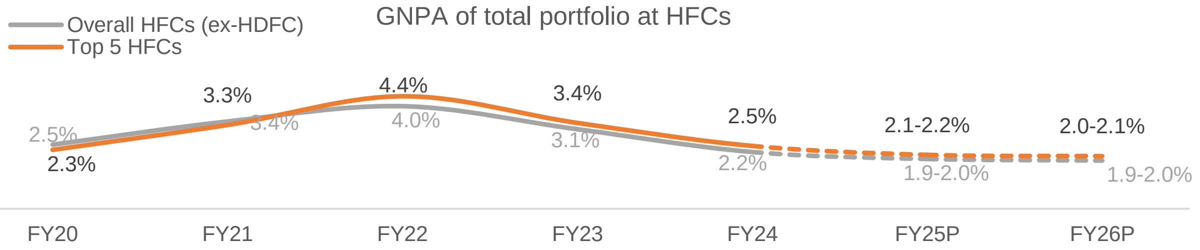


P: Projection,
Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited.'s estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth
Source: Company reports, CRISIL MI&A Research

In fiscal 2024, the housing portfolio's GNPA decreased 40 bps points to 1.4% due to the resilience of prime HFCs' customer base during the pandemic. Effective collections and higher provisioning also contributed to the improvement. For fiscals 2025 and 2026, there is no indication of a sudden surge in bad loans or write-offs, which should keep GNPA stable.

Further, the RBI's expected rate cut in the second half of fiscal 2025 is likely to ease the burden of expensive loans on customers. CRISIL MI&A Research projects the asset quality in the retail home loans segment to remain range bound at 1.3-1.4% in fiscal 2025 and marginally improve at 1.2.-1.3% in fiscal 2026.

Overall HFC asset quality to remain rangebound in fiscal 2025 and 2026



P: Projection,

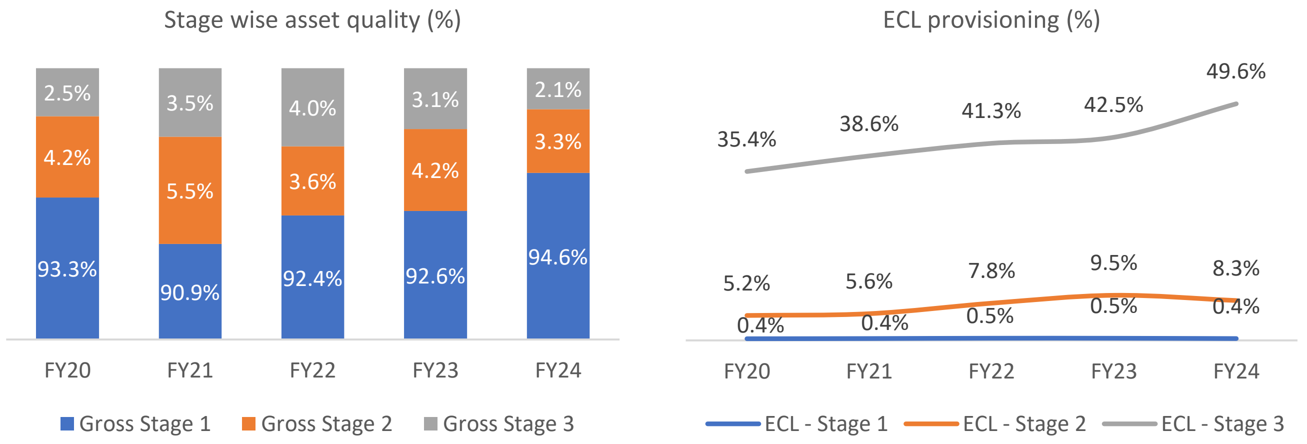
Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth.

Source: Company reports, CRISIL MI&A Research

In fiscal 2024, the overall GNPA of HFCs decreased ~90 bps as the stress in the non-housing portfolios reduced owing to the offloading of large parts of the wholesale portfolio by HFCs under the retailisation strategy. In the non-housing portfolios, the retail LAP segment was huge and improved its delinquency rate as this is a form of secured loan taken for various disclosed end-uses, owing to improvement in the economy, growth of micro, small and medium enterprise (MSME) businesses and stable incomes of key customers. However, sudden changes in the domestic and global economic conditions might hinder the progress made as the secured LAP and construction finance portfolios are highly vulnerable to them.

Last fiscal, HFCs' GNPA was 2.2%. This fiscal and next, CRISIL MI&A Research projects it to improve to 1.9-2.0%.

Trend in movement of stage wise asset quality and ECL provisioning



Note: The calculations for stage-wise asset quality and ECL provisioning is calculated based on 14 HFCs with total loans and advances of Rs 6,155 bn as of fiscal 2024

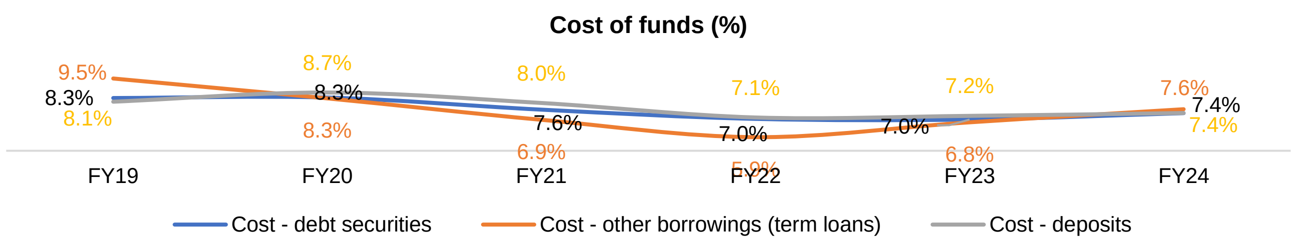
Source: Company reports, CRISIL MI&A Research

The pandemic had an unfavourable impact on the asset quality in fiscal 2021, As a result, the proportion of high-quality assets (stage 1) decreased 240 bps compared with the previous year. Meanwhile, the proportion of lower-quality assets (stage 2 and stage 3) increased, with stage 2 assets rising 130 bps and stage 3 assets rising 110 bps. To mitigate the impact of declining asset quality, HFCs took a cautious approach by building up their buffers against potential losses. HFCs significantly increased their Expected Credit Loss (ECL) provisions, with provisions for high-risk assets (stage 3) jumping to 38.6% (330 bps increase) and provisions for stage 2 rising to 5.6% (a 40 bps increase).

In fiscal 2022 and 2023, HFCs managed to stabilise their stage 1 assets, maintaining a rangebound level of ~92.5%. However, stage 2 and stage 3 assets continued to remain elevated. In a significant turnaround, fiscal 2024 saw asset quality stabilise, with stage 1 assets improving to 94.6%, stage 2 assets dwindling to 2.1%, and stage 3 provisions reaching an all-time high of 49.6%.

Rise in the cost of funds

Funding cost increase in fiscal 2024 with elevated interest rates



Note: Cost of funds is considered for LIC Housing Finance, Indiabulls Housing Finance, PNB Housing Finance, Bajaj Housing Finance, Can Fin Homes, Aadhar Housing Finance, Aptus Value Housing Finance and ICICI Home Finance.

Source: Company reports, CRISIL MI&A Research

The interest rates remained elevated throughout fiscal 2024, leading to an increase in funding cross across the funding type. Mobilisation of funds through the deposits route continues to be a challenge for banks, as well as HFCs, as investor moves to a higher yield's investments in form of mutual funds and equity investment, which had led to an increase in funding from capital market and term borrowings.

In fiscal 2025, the expectation of a decline in repo rate during the second half will provide some relief to the borrowing cost. However, pass on of the rates happens with a lag and hence the impact of decline rates would only be seen in fiscal 2026.

Traded NCD coupon rates on the rise

Notes

1) The top 5 HFCs are Bajaj Housing Finance, LIC Housing, Indiabulls Housing, PNB Housing and Can Fin Homes.
2) A-HFCs are Tata Capital Housing Finance, ICICI Home Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Edelweiss Housing, Motilal Oswal Home Finance, Shriram Housing, Vastu Housing Finance Limited, Piramal Capital and Housing Finance Limited, JM Financial Home Loans Limited and Home First Finance Company Limited.
3) The NCD coupon is computed based on the average issuance by the players listed above for a tenure of 3-7 years. NCD coupon rates are considered based on issuance by listed players.

Source: NSE, CRISIL MI&A Research

In fiscals 2021 and 2022, NCD coupon rates dropped due to lower market rates and HFCs benefitted from lower cost of funds. In response to growing inflation, the RBI increased its repo rate by a cumulative 250 bps in fiscal 2023. As the rise in repo rates was passed on with a lag of 3-4 quarters, a gradual rise in issuance rates could be seen in fiscal 2024.

Peak profitability: Fiscal 2024 achieves highest net interest income in 5 years

In fiscal 2024, HFC/NBFCs saw a 13.6% credit growth, led by increased loan disbursements expanding their overall loan book. The credit growth was accompanied by increase in yield on advances, owing to the issuance of new loans at higher interest rates and repricing of existing floating-rate loans, which fully absorbed the 250-bp hike in repo rates from the previous fiscal year, resulting in a higher overall yield.

Simultaneously, the cost of borrowing rose due to new loans borrowed at higher interest rates and the repricing of existing floating-rate loans in fiscal 2024. However, since NBFCs maintain a balanced mix of fixed and floating-rate borrowings, the impact of the 250-basis-point repo rate hike is more gradual, unlike the faster pass-through to the final borrower. As a result, in fiscal 2024, interest income on average assets increased to 9.7% from 9.0% in fiscal 2023, while interest expense on on average assets rose to 6.4% from 6.0% in fiscal 2023, translating into the highest net interest income in the last five years, at 3.3%.

In fiscal 2024, some housing-finance companies' operating expenses increased due to investments in technology and operational upgrades. However, these costs were partially offset by higher fee income generated from loan repricing. In fiscal 2024, credit costs remained range-bound at 0.5%, resulting in a strong return on assets of 2.1%.

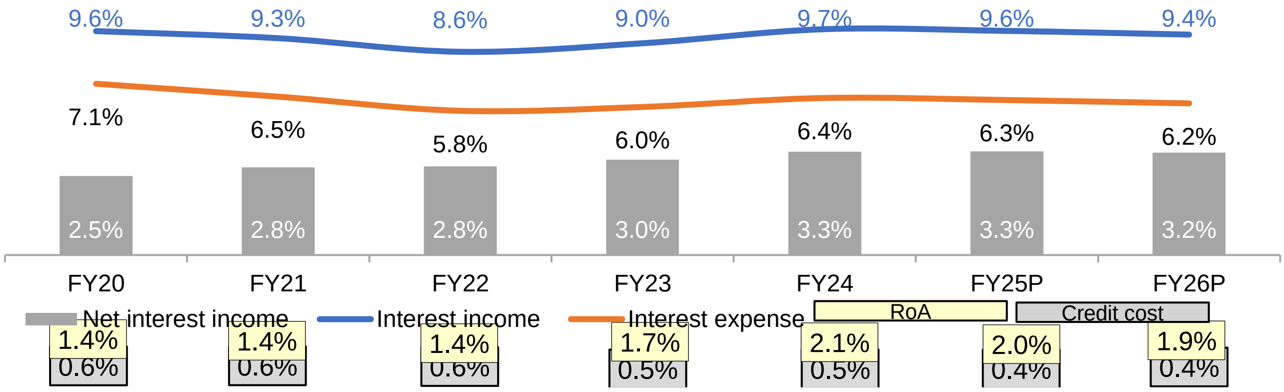
CRISIL MI&A Research projects a decline in both interest income on average assets and interest expenses on average assets for fiscal years 2025 and 2026. This downward trend is expected to be driven by the anticipated interest rate cut in the second half of this fiscal year. The extent of the decline will depend on the lag in passing on the rate cut to end customers and its impact on borrowing costs.

The impact of repo rate changes will be slower to materialise in fiscal 2025, resulting in a ~10 basis point reduction in interest income on average assets, which is expected to come in at around 9.6%. Similarly, interest expenses on average assets are projected to decline by ~10 basis points to 6.3% leading to a 3.3% net interest income range bound to fiscal 2024. Credit costs are anticipated to decrease by an additional 10 basis points in fiscal 2025, driven by the significant write-offs of non-housing portfolio in fiscal 2024.

Further in the next fiscal, the impact of the repo rate changes will be higher, causing interest income on average assets to drop by around 20 basis points and interest expenses on average assets to fall by approximately 15 basis points. Consequently, net interest income is expected to decrease by 10 basis points compared to fiscal 2025 at 3.2%. Credit costs are expected to remain range bound at 0.4% as no significant event is expected to deteriorate asset quality.

In fiscals 2025 and 2026, the anticipated reduction in the repo rate is expected to have a detrimental effect on the portfolio, leading to a 10-basis-point drop in Return on Assets (RoA) to 2.0% and 1.9%, respectively.

Credit costs to remain rangebound in fiscals 2025 and 2026



P: Projected

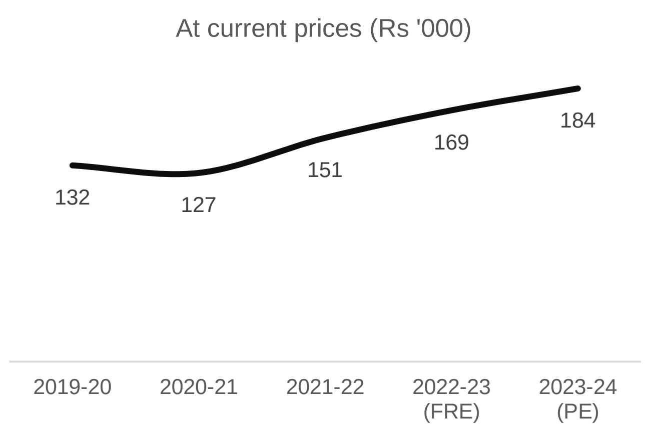
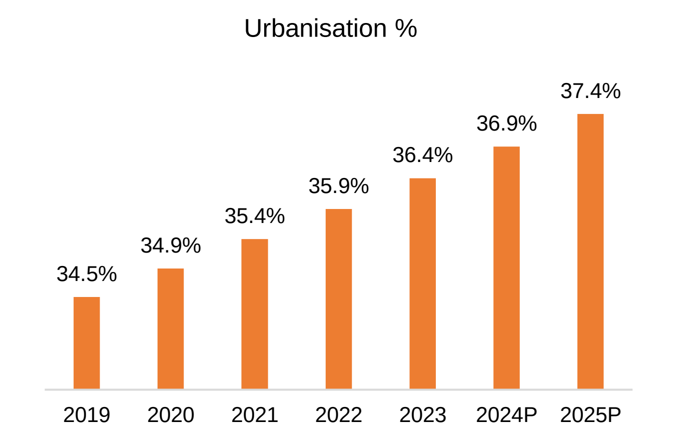
Note: All ratios are based on total assets

Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth.

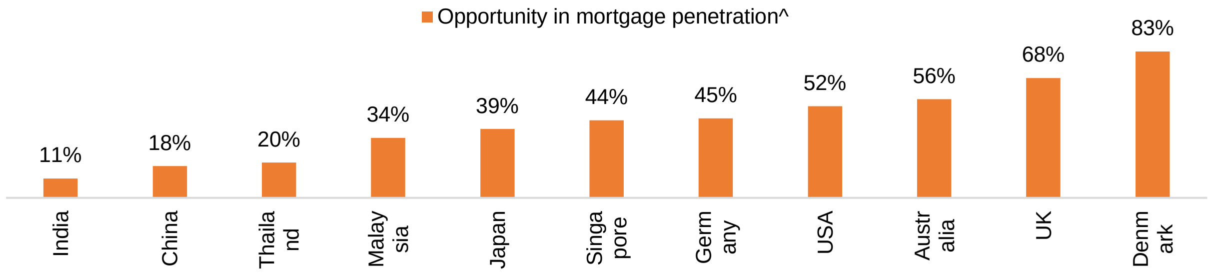
Source: Company reports, CRISIL MI&A Research

Housing finance – Industry overview

Housing finance sector: Long-term growth drivers

Rising per capita income	Rapid urbanisation
	
Rising income levels lead to higher disposable income, and therefore increased affordability	Urbanisation translates to more nuclear families and therefore more urban households

Significant opportunity for mortgage penetration

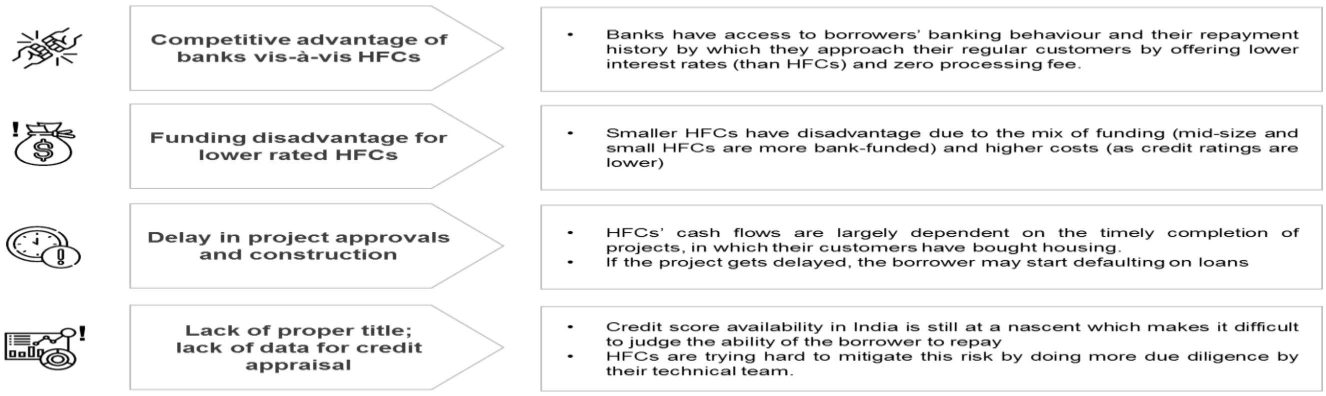


India's mortgage penetration, though low, is improving owing to ease of financing, tax incentives and increasing reach of financiers

^Company reports, European Mortgage Federation and HOFINET

Source: Ministry of Statistics and Programme Implementation, United Nations Department of Economic and Social Affairs, International Monetary Fund, European Mortgage Federation, Housing Finance Information Network, NHB, company reports, CRISIL MI&A Research

Risks and challenges



Key government schemes for the housing sector

PMAY

The Ministry of Housing and Urban Affairs launched PMAY – Urban (PMAY-U) on June 25, 2015 to address the shortage of urban housing among the EWS/LIG and MIG, including slum dwellers, and provide pucca houses to all eligible urban households by 2022.

The erstwhile Indra Gandhi Awas Yojana was restructured as the PMAY – Gramin (PMAY-G; effective April 1, 2016) to address gaps in the rural housing programme and fulfil the government's commitment to provide pucca houses with basic amenities by 2022 to all individuals who did not own a house and those living in kutcha and dilapidated dwellings.

CLSS is a central government component, implemented through nodal agencies such as the National Housing Bank (NHB), Housing and Urban Development Corporation and State Bank of India. The scheme was announced in June 2015 for EWS/LIG and in January 2017 for the MIG. The aggregate subsidy released under the erstwhile scheme amounted to Rs 58,916 crore, of which NHB received the highest allocation of 84% (at Rs 49,715 crore), benefiting 16.45 lakh households in the EWS/LIG segments and 4.62 lakh MIG households. The scheme's revival in Budget 2024-25 with an allocation of Rs 4,000 crore across the three income segments is expected to support 1.7 lakh households. The allocation of three crore houses under PMAY–U and PMAY-G will further boost the affordable financing offered by banks and non-bank lenders.

PMAY's progress as of October 30, 2024

Progress of PMAY-U	No. of houses/value	Progress of PMAY-G	No. of houses/value
Houses sanctioned	118.64 lakh	House target	329.18 lakh
Houses grounded	114.47 lakh	Houses sanctioned	295.00 lakh
Houses completed	86.3 lakh	Houses completed	265.31 lakh

Central assistance committed	Rs 2 lakh crore	Fund allocation	Rs 3.67 lakh crore
Central assistance released	Rs 1.64 lakh crore	Fund released	Rs 2.73 lakh crore
Total investment	Rs 8.07 lakh crore	Fund utilised	Rs 3.38 lakh crore

Source: CRISIL MI&A Research

AMRUT

The purpose of the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is to provide basic services (e.g., water supply, sewerage and urban transport) to households, build amenities in cities and improve the quality of life for all, especially the poor and the disadvantaged.

Key components of AMRUT

- Access to a tap with assured water supply for every household
- Assured sewerage connection in every household
- Better amenities in cities by developing greenery and well-maintained open spaces (such as parks)
- Lower pollution by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling)

Status of AMRUT as of April 2023	Projects	Value (Rs billion)
Work completed	4,909	375
Awarded	988	452
Total state annual action plans	5,897	827

Source: Ministry of Housing and Urban Affairs, CRISIL MI&A Research

Affordable housing finance – Review and outlook

Affordable-housing credit to outpace overall housing loan growth this fiscal and next

Credit disbursed by affordable-housing finance companies (A-HFCs; average loan ticket size of less than Rs 2 million) increased at a robust 15% compound annual growth rate (CAGR) between fiscals 2020 and 2024 vs 11% CAGR for the overall housing finance segment.

A-HFCs' loan growth was driven by higher housing demand owing to improved operating environment for companies supported by stable income level and increasing penetration into tier I and II cities. Other contributing factors were rising disposable incomes, stable economic conditions and government initiatives such as Housing for All.

By the end of fiscal 2024, though, demand had succumbed to a prolonged period of higher interest rates. Moreover, some affordable-housing customers moved to the lower-level mid-ticket borrowing bracket of Rs 25-75 lakh by extending their budgets because of increase in capital value. Resultantly, developers' focus shifted to the premium and luxury segments in metros, tier I and II cities.

Share of A-HFCs = 28% of the overall housing credit

Type	Share in book FY24 (%)	Book (Rs billion) FY24	CAGR (%) FY20-24	Growth in FY24 (%)	Growth Outlook for FY25P (%)	Growth outlook for FY26P (%)
A-HFCs	28	1,926	15	23	21-22	24-25
Overall HFCs/NBFCs	100	6,802	11	14	12-13	13-14

P: Projected

Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth.

Source: Company reports, Reserve Bank of India (RBI), CRISIL MI&A Research

However, Rs 2.2 trillion allocation for Pradhan Mantri Awas Yojana PMAY-Urban over the next five years announced in the Union Budget 2024-25 to revive interest in affordable housing once again.

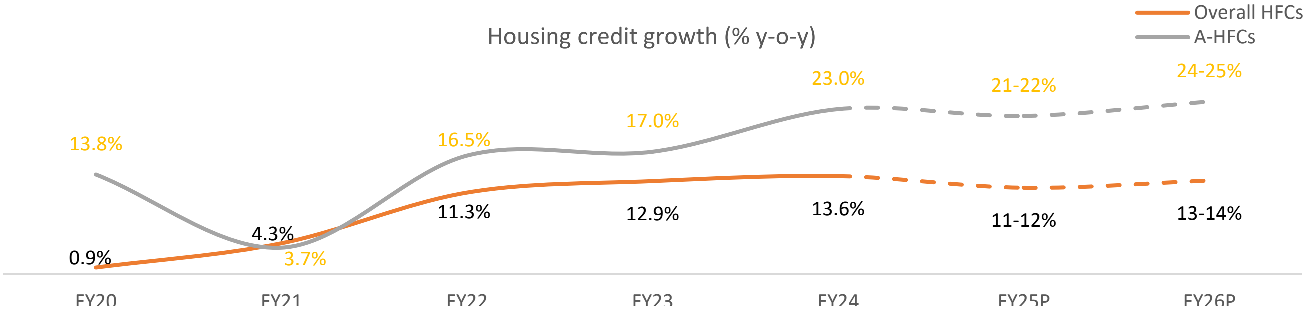
Indeed, in fiscal 2025, the A-HFCs' credit growth is projected to outpace the overall sector once again.

Further, re-introduction of the Credit-Linked Subsidy Scheme after a gap of two years, with an allocation of Rs 40 billion for three income segments – low-income group (LIG), middle-income group (MIG) and economically weaker section (EWS) – is expected to support ~170 thousand households. The allocation of 30 million houses under PMAY–Urban and Rural schemes will further boost affordable loan disbursements by banks and non-banks.

The anticipated repo rate cut in the second half of fiscal 2025 is expected to lead to a much-needed relief for the underlying customer base in the next fiscal because in a rising repo rate environment, affordability is challenged. Additionally, the newly introduced government schemes will gain traction only next fiscal, leading to a projected moderate growth of 21-22% for A-HFCs this fiscal and a stronger growth of 24-25% in the next, according to CRISIL MI&A Research.

Note: CRISIL MI&A Research defines A-HFCs as those disbursing loans with an average ticket size of less than Rs 2 million.

Credit growth of A-HFCs vs overall segment



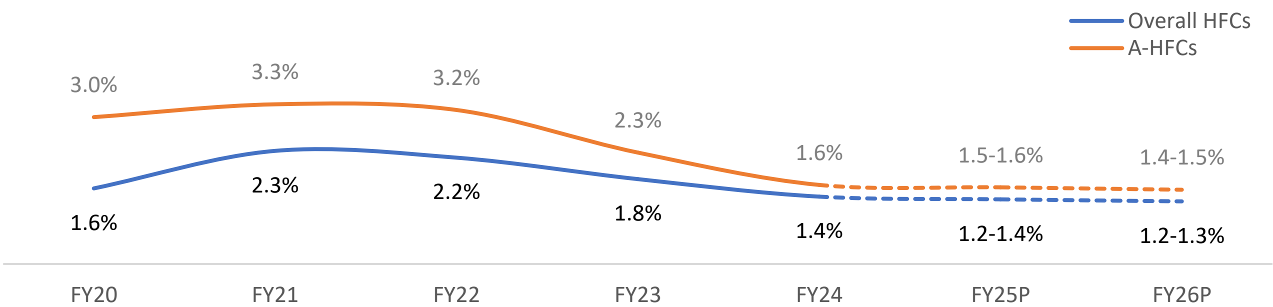
P: Projected

Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past loan books of HDFC Limited for the retail housing and commercial real estate segments have been adjusted to arrive at a normalised credit growth

Source: Company reports, RBI, CRISIL MI&A Research

GNPAs of affordable housing portfolio to remain stable for now

GNPAs of A-HFCs vs HFCs amid aggressive credit expansion



P: Projected

Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Historical numbers are adjusted for HDFC Limited's book considered under banks and eliminated from HFCs

Source: Company reports, RBI, CRISIL MI&A Research

The average lending rates of A-HFCs rose in fiscal 2023 on the back of rising repo rate. This made existing and new loans more expensive for customers. The full impact of the repo rate rise, though, was seen in fiscal 2024 owing to a lag in the transmission of rates, with most A-HFCs repricing their existing loan book while ensuring lower spreads to hold on to promising customers amid high balance transfer rates. In this milieu, appropriate provision cushion checked write-offs and slippages.

In fiscal 2024, gross non-performing assets (GNPAs) of the affordable housing portfolio improved 70 basis points (bps) owing to enhanced collections, resilient economic conditions and appropriate underwriting controls of the customer base, leading to no major write-off in their retail portfolios.

According to CRISIL MI&A Research, GNPAs are expected to remain stable at 1.5-1.6% in fiscal 2025 and 1.4-1.5% in fiscal 2026 if A-HFCs continue to exercise caution and maintain control.

GNPAs of A-HFCs better than overall housing portfolio

P: Projected, E: Estimated

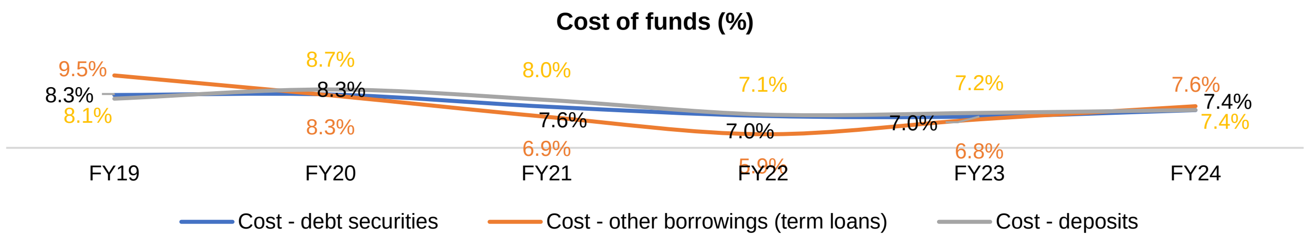
Note: HDFC Limited-HDFC Bank became a merged entity effective July 1, 2023. Historical numbers are adjusted for HDFC

Limited book considered under banks and eliminated from HFCs
Source: Company reports, RBI, CRISIL MI&A Research
For the overall housing finance segment, GNPAs increased ~100 bps in fiscal 2021 owing to stress in the non-housing portfolio, which mainly included retail loan against property (LAP) and real estate and corporate loans. In fiscal 2022, it rose a further ~110 bps to 4.4% because of continuing stress in LAP and real estate and corporate loans in addition to an economic slowdown following the second wave of the Covid-19 pandemic in the first quarter of fiscal 2022. In fiscal 2023, amid improvement in economic activity and sharpening focus of lenders on loan growth, the stress reduced to 3.4%. Persistently high GNPAs was due to stress in the wholesale portfolio. In fiscal 2024, there were considerable write-offs in the wholesale portfolio. Also, the portfolio's collection efficiency improved. These two factors led to ~90 bps fall in GNPAs to 2.5%.

A-HFCs' asset quality has been in tandem with the broader housing finance industry, but they have performed better in terms of GNPAs due to their cautious approach in limiting exposure to the construction finance and wholesale portfolios. Instead, these companies have been focussing on individual housing loans and LAP, which have contributed to superior asset quality. However, A-HFCs' underlying customer base is more vulnerable to fluctuations in interest rates and economic downturns, making it a sensitive segment.

In fiscals 2025 and 2026, CRISIL MI&A Research projects A-HFCs' GNPAs to range 1.9-2.0% as there is no indication of a sudden surge in bad loans or write-offs.

Cost of borrowing rose marginally in fiscal 2024



Note: HFCs comprise LIC Housing Finance Limited, Indiabulls Housing Finance Limited, PNB Housing Finance Limited, Bajaj Housing Finance Limited, Can Fin Homes Limited, Aadhar Housing Finance Limited and Aptus Value Housing Finance India Limited

Source: Company reports, CRISIL MI&A Research

Profitability of A-HFCs steady last fiscal, RoA peaked

A-HFCs posted a substantial 23% on-year increase in credit growth in fiscal 2024, led by a surge in loan disbursements expanding their loan portfolios. The credit growth was accompanied by increase in yield on advances, owing to the issuance of new loans at higher interest rates and repricing of the existing floating rate loans, which fully absorbed the 250-bps hike in repo rates from the previous fiscal, resulting in a higher overall yield.

As interest rates rose, borrowing costs increased as well in fiscal 2024, on account of uptake of new loans with higher rates and repricing of existing floating rate borrowings. However, as A-HFCs have a mix of fixed and floating rate borrowings, the effect of the 250-bps repo rate hike was slower and more gradual, unlike the quicker impact on the final borrower.

As a result, in fiscal 2024, interest income-to-average assets ratio increased to 11.0% from 10.6% in fiscal 2023 and interest expense-to-average assets ratio rose to 6.0% from 5.5% in fiscal 2023, translating into net interest income ratio at 5.0%.

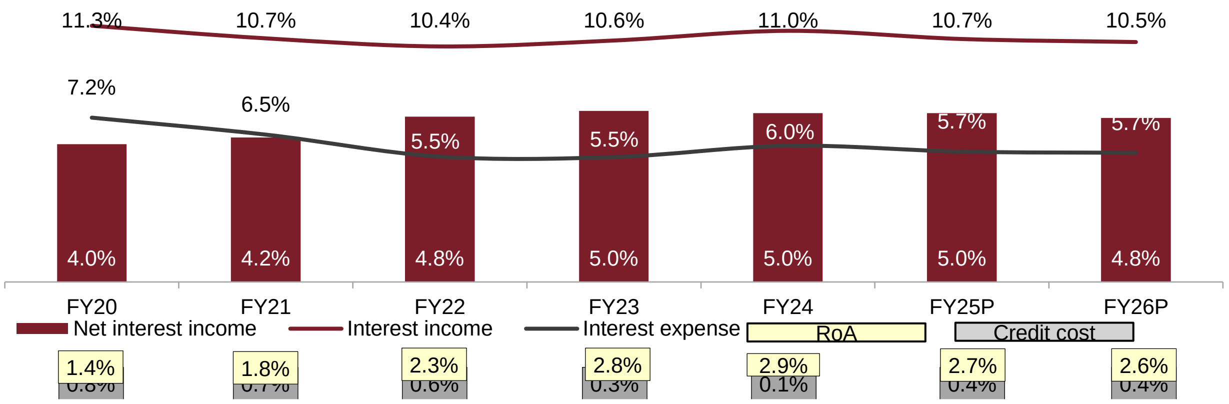
Meanwhile, some companies saw a roll-back of provisions, totalling 0.1% credit cost. The extra provision was created last fiscal to cushion any impact because of rising repo rate transfers to final consumers. This led to the segment's best return on assets (RoA) in the past five years, at 2.9%.

CRISIL MI&A Research projects that interest income and expenses will decrease in fiscal 2025 due to the expected interest rate cut by the RBI in the second half of the year. The full impact of this rate cut will be seen in fiscal 2026, leading to a sharper decline in interest income and expenses. The decline in repo rate will lead to a ~30 bps lower interest income-to-average assets ratio at 10.7% and, similarly, a drop in interest expenses-to-average assets ratio of ~30 bps to 5.7%, leading to a net interest income ratio of 5.0%.

In fiscal 2026, the full effect of the repo rate cut will be realised, resulting in a further ~20 bps decline in interest income to 10.50%. Meanwhile, borrowing costs are expected to remain stable at 5.7%. As a result, net interest income ratio is projected to decrease ~20 bps to 4.8%.

Credit costs are expected to rise to 0.4% in fiscal 2025 and remain steady at 0.4% in fiscal 2026, creating a buffer to mitigate potential risks in the underlying portfolio of A-HFCs. As a result, RoA is projected to decline ~20 bps to 2.7% in fiscal 2025 and a further ~10 bps to 2.6% in fiscal 2026.

Net interest margin range bound in fiscals 2024 and 2025



P: Projected
Note: All ratios are based on total assets
Source: Company reports, CRISIL MI&A Research

Affordable housing finance – Industry overview

CRISIL MI&A Research defines loans disbursed by HFCs with an average ticket size of less than Rs 2 million as affordable-housing loans.

A-HFCs are able to strongly tap the 'less than Rs 2 million' segment owing to the following factors:

Strong origination skills and a focused approach

Focus on niche customers

Superior customer services and diverse channels for sourcing business

Non-salaried customer profile (~80%)

Increased presence in smaller cities

These factors helped A-HFCs gain market share, as banks have become risk-averse and tend to focus on high-ticket customers with good credit profiles. By virtue of being present mostly in metros and urban areas, the ticket size of banks and large HFCs reflect the rise in urban property prices, enabling A-HFCs to exclusively tap credit demand of non-salaried customers, and those from tier III cities and rural areas.

Characteristics of HFCs

Parameters	Large HFCs with an average ticket size of more than Rs 2 million	A-HFCs with an average ticket size of less than Rs 2 million
Markets	Metros, urban, semi-urban	Semi-urban, rural
Customers	Salaried customers and high net worth individuals	Self-employed customers, small traders, farmers
Average yield	7-9%	9-13%
Average LTV	65-75%	50-60%

Source: Company reports, CRISIL MI&A Research

Business model

The high cost of serving EWS and LIG customers has prompted finance companies to adopt innovative models to source business. An HFC targeting the low-income informal sector operates on a hub-and-spoke model, where its retail branches operate as hubs in urban areas, while project site kiosks follow up on low-income construction projects to attract customers.

Although this model is popular and largely followed by finance companies, a developer-based model, where the HFC is present at the low-income housing project site and the business is conducted directly with developer partners, is not uncommon. HFCs also spread awareness about their products in rural areas by setting up kiosks at gram sabhas and organising loan melas for potential customers.

Direct customer contact provides greater transparency and helps limit fraud, supporting reliable customer assessment. In addition, all critical functions such as origination, verification and credit appraisal are performed in-house, while certain non-core activities such as loan documentation and processing can be outsourced. This allows an HFC start-up to allocate more internal resources towards vital aspects of lending, such as verification and credit appraisal.

Customer risk

HFCs recognise the challenges of serving low-income customers and the informal sector, in particular. There are fundamental differences compared with traditional housing finance, as this segment rarely has records of income and expenditure documents that conventional mortgage lenders rely on to assess creditworthiness. Therefore, evaluating such customers requires more of a field-based approach to verify cash flow — using surrogates and building up knowledge about customer sub-segments to increase assessment reliability. The person, and not just documents, helps in credit quality assessment.

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company and its Subsidiaries, and to the extent is accompanied by financial information, such information is included on a standalone basis. Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Risk Factors", and "Financial Information" on pages 20, 22 and 199, respectively of this Shelf Prospectus. Additionally, please refer to section titled "Definitions and Abbreviations" on page 3 for the definition of certain terms used in this section. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Audited Financial Statements for Fiscal 2024, Audited Financial Statements for Fiscal 2023, Audited Financial Statements for Fiscal 2022 and Unaudited Interim Condensed Financial Statements as included in this Shelf Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.

Unless otherwise indicated or unless otherwise requires, industry and market data used in this section has been derived from the industry report titled "Industry report on Housing finance" dated October, 2024 ("Industry report on Housing finance") prepared and issued by CRISIL MI&A, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL MI&A has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the Industry report on Housing finance and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Industry report on Housing finance and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details and risks in relation to the Industry report on Housing finance, see Risk Factor No. 59 "Statistical and industry data in this document is derived from the CRISIL Report commissioned by us for such purpose. CRISIL is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable." on page 50.

Overview

We are technology driven retail focused housing finance company with the primary focus on providing loans to first time home buyers in the economically weaker sections ("**EWS**") and low-income group ("**LIG**") group. We provide loans to customer in the suburbs of Tier 1 cities and Tier 2 cities and to customers residing in Tier 3 and Tier 4 cities in India where the collateral is the existing or self-occupied residential property. We serve salaried and self-employed customers which account for 53.18% and 46.82% of our AUM as at September 30, 2024, respectively. We have served over 4,27,048 customers as at September 30, 2024.

We offer customers a range of mortgage-related loan products, including (i) housing loans, for purchase of ready built residential units, under construction property by approved builders, self-construction, home improvement on pre-owned property and purchase of land for construction of residential property; (ii) secured business loans, for primarily meeting working capital requirement, business use and purchase of commercial property; and (iii) affordable housing project loans, to meet construction expenses of affordable housing projects of reputed developers. Housing loans, secured business loans and affordable housing project loans contribute 77.30%, 20.42% and 2.28% of our AUM, as at March 31, 2024, respectively and 78.48%,19.40% and 2.12% of our AUM, as at September 30, 2024, respectively. As on September 30, 2024, the housing loan and secured business loans have an average loan-to-value of 71.30% and 47.05%, respectively, at the time of sanctioning of the loans. The average ticket size of our housing loans, secured business loans and affordable housing project loans was ₹ 0.16 crores, ₹0.10 crores and ₹7.02 crores, respectively, as at September 30, 2024.

Our AUM has grown at a CAGR of 22.60% from ₹23,617.37 crores as at March 31, 2022 to ₹35,498.55 crores, as at March 31, 2024. As on September 30, 2024, our AUM stands at ₹ 37,098.39 crores. As at March 31, 2024 and September 30, 2024, our Gross NPA expressed as a percentage of our AUM was 1.32% and 1.45%, respectively, and our Net NPA expressed as a percentage of our AUM was 1.02% and 1.14%, respectively.

We have a widespread network of 387 branches in 18 states and 2 union territory as at September 30, 2024. Our focus states include Delhi NCR, Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Tamil Nadu.

As a technology driven housing finance Company, we endeavour to make our customer experience as seamless as possible. Our approach has always been digital first and we have made the entire life cycle of our housing loans i.e., from origination to closure, completely digitised. We have also adopted technology in all our other business processes including customer service, collections, underwriting and monitoring asset quality. We have state-of-the-art IT infrastructure which has helped in real time analysis of customer data, improving our control and underwriting functions, while increasing customer reach and distribution capability, thereby reducing our costs. With strong in-house digital capabilities and efficient processes across business functions, we provide enhanced customer experience, enhanced transparency and sustainable growth.

In the Fiscal 2024, 2023 and 2022 our Company originated 98.45%, 98.50% and 99.06% of the housing loans digitally.

Our financing requirements have historically been met from a variety of sources including refinancing from the NHB, term loans and working capital facilities from both PSU and private banks, proceeds from the issuance of publicly listed and privately placed NCDs, external commercial borrowing, proceeds from loans assigned, subordinated debts, issuance of CP and NCD from mutual funds, insurance companies and other financial institutions to meet our capital requirements. As at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 our total borrowings was ₹ 16,867.54 crores, ₹ 17,683.61 crores, ₹ 14,953.20 crores and ₹ 14,220.61 crores, respectively and our average cost of borrowings for period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 8.32%, 8.30%, 7.99% and 7.92% respectively.

(₹ in crores unless otherwise stated)

Sr. No.	Total Borrowings	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
A	Borrowings (other than debt securities) {excluding Sr. No. B and D below}	7,645.97	45.333%	8,096.41	45.78%	8,355.55	55.88%	7,763.93	54.60%
B	Term Loans from National Housing Bank - (B)	4,534.43	26.88%	4,791.49	27.10%	3,085.44	20.63%	2,763.71	19.43%
C	Debt Securities - Secured - (C)	3,213.01	19.05%	3,380.40	19.12%	2,254.22	15.08%	2,144.04	15.08%
D	Securitisation Liability - (D)	131.67	0.78%	145.28	0.82%	179.68	1.20%	417.29	2.93%
E	Subordinated liabilities - (E)	816.52	4.84%	1,037.38	5.87%	1,078.31	7.21%	1,057.69	7.44%
F	Commercial Paper - (F)	525.94	3.12%	232.64	1.32%	0.00	0.00%	73.94	0.52%
	Total (A+B+C+D+E+F)	**16,867.54**	**100.00%**	**17,683.61**	**100.00%**	**14,953.20**	**100.00%**	**14,220.61**	**100.00%**

At IIFL Home Finance, we are dedicated to enabling the first time home buyers, specifically from the economic weaker (EWS) and lower income (LIG) groups of society. In alignment with the government's 'Housing for All' mission, we also focus on empowering women and underserved communities achieve their home ownership dreams with a range of tailored home loan solutions and a fast and digital 'JHATPAT' application process. Our services include loans for buying, building, and renovating homes, as well as small or secured business loans (loan against property).

The organization also promotes eco-friendly and sustainable building practices. Our commitment extends to environmental sustainability through initiatives like 'Green Value Partner' and 'Humara Kutumb',promoting green affordable housing. Additionally, our 'One Home' platform which operates through its website www.iiflonehome.com streamlines property searches and auctions, enhancing access for both buyers and sellers.

We are committed to creating a sustainable impact through environmental, social and governance ("**ESG**") initiatives, also in line with sustainable development goals ("**SDGs**") set out by the United Nations. We stress on eight SDGs out of the 17 SDGs and are conscious of our responsibility towards the environment and are judicious in natural resource utilisation. We have been awarded as the winner of 13 business and sustainability awards like India Sustainability Conclave and Awards 2023 for Best Sustainable Initiate to Reduce Carbon Footprint and 2nd Elets NBFC100 Leader of Excellence Awards for our work in affordable housing finance to name a few in the Fiscal 2024.

We have a strong, experienced and dedicated management team, with our senior management having an average of 20 years' experience in the financial services industry in India. Further, our Board of Directors is comprised of a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

For period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022, our total income was ₹ 1,881.18 crores,

₹3,293.59 crores, ₹2,731.16 crores and ₹2,221.44 crores, respectively, our profit for the period/year was ₹566.28 crores, ₹1,026.84 crores, ₹790.33 crores, and ₹578.00 crores, respectively. Our net worth as at September 30, 2024 stands at ₹7,044.99 crores.

Our Competitive Strengths

We believe that our position as one of the leading affordable housing finance companies is founded on the following competitive strengths:

We have significant presence in the affordable housing division

We largely operate in the affordable housing division and our housing loans are targeted at the EWS and LIG group. The average ticket size of housing loans is ₹0.16 crores for Financial Year 2024. This division has typically been underserved by traditional banks and large housing finance companies due to lack of reach and perceived higher risks, which provides us an opportunity to play a significant role in bridging the demand and supply gap in financing the affordable housing loans. GoI has updated the Credit Linked Subsidy Scheme under Pradhan Mantri Awas Yojana – Housing for All (Urban) ("PMAY-CLSS") which aims at incentivizing home buyers, by providing credit-linked subsidy on housing loans taken for acquisition or construction of houses which enhances the affordability of above division and also act as catalyst for demand side intervention. We actively collaborated with various State Governments and State Housing Authorities in order to promote affordable housing. As at September 30, 2024, 59.79% of our AUM and 84.07% of our live accounts was from customers who belonged to the EWS and LIG groups, similarly, 59.83% of our AUM and 84.69% of our live accounts was from customers who belonged to the EWS and LIG groups as at March 31, 2024.

We have developed and implemented practices and policies to address the specific issues faced in the affordable housing division and to address our customers' need to access funds, while ensuring robust credit underwriting and collections policies. We leverage our local level knowledge of each micro market that we operate which enables us to identify and implement alternate means of credit checks and review fund sources for repayment of our loans. These steps coupled with our in-house technical and valuation teams allow us to identify local level opportunities, ensure careful customer selection, timely loan approval and disbursals, and efficient real time monitoring of collections.

Presence in markets with strong growth potential

have a strong outreach across the length and breadth of the country through our extensive distribution network of 387 branches strategically located across 18 states and 2 union territory as at September 30, 2024. Most of our branches are located in the suburbs of Tier 1 cities, Tier 2 cities, Tier 3 cities and Tier 4 cities offering a significant opportunity for our Company to capture the housing market in these locations. We have focused presence in following states – Delhi NCR, Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Tamil Nadu.

We have adopted a strategy of contiguous expansion across states in India and have strategically expanded to relevant geographies by evaluating areas with high economic growth and substantial demand for affordable housing finance, along with industry portfolio-at-risk levels and socio economic risk profile. Our widespread network of full service branches allows us to service our existing customers, attract new customers and apply best practices developed in one region to other regions.

Our growing presence across key states through physical locations, sales personnel, and digital and technology enabled solutions positions us to be the lender of choice for affordable housing loan products amongst our target customers.

End-to-end digitisation

As a technology driven housing finance player, we endeavour to make our customer experience as seamless as possible. We have made the entire life cycle of our housing loans and secured business loans i.e., from origination to closure, completely digitised. We have state-of-the-art IT infrastructure which has helped in reducing costs, real time analysis of customer data, improving our control and underwriting functions, while increasing customer reach and distribution capability.

Our home loan processing is done through our proprietary application "Jhatpat Loans" in which underwriting is automated with pre-defined business rule engines thereby leading to reduced turn-around time (TAT) and increased standardisation of decisions resulting in lower credit cost.

This has led to a complete paperless credit underwriting mechanism that includes analysis of KYCs, income documents, credit history, business set-up and profile of the customer. We have defined policy guidelines which are built in the "Jhatpat application" for rule based underwriting leading to reduction in the frequency of judgment-based errors. We use technology to verify the identity and other loan documents submitted by the borrower along with digital underwriting. This integration of new data sources enables better insights for credit decisions, while real-time data processing, reporting, and monitoring further improves overall risk management capabilities.

Similarly, we have enhanced our secured business loans process with the help of various tools and integrations for real time validation of KYCs, income tax returns and banking statements, empowering our credit team to take better informed decisions.

Further, we have added E-sign and E-nach capabilities for the disbursal process.

Robust risk management architecture from origination to collections leading to superior asset quality

We have a well-defined risk management structure which includes periodic reviews and close monitoring to enable building a sustainable portfolio that takes care of the interests of all stakeholders. Our robust in house credit appraisal process and policies complimented with strong in-house collection team help in determining the acceptable risk. We have also brought smart technologies, right from loan origination to collections for credit appraisal, underwriting and monitoring which have helped us to maintain our portfolio quality.

From time to time, the processes and appraisal criteria are re-engineered and inconsistencies are removed. The customer on-boarding have built-in proprietary rule engines to ensure standardized underwriting. The evolution of the appraisal process is continuous in nature and with multidimensional risk analytic system we do advance data analysis by evaluating trends co-relating it with emerging risks. It not only helps us in effective control on our underwriting processes but also in making region centric policies basis on our past trend analysis and the peculiarity of the respective micro market. Further, risk management team does regular portfolio analysis and monitoring using internal and external data sources to predict future risks which involves various steps at different stages starting payment of dues which are further studied to analyse the repayment behaviour of the customers.

Our in-house collection team that uses various data analysis and trends provided by risk team to take proactive actions for faster collections. For collections and recovery, our Company uses digital collection and communication tools both for customer interaction and collection. The collection team uses a mobile application, an end-to-end platform, for doing receipt entries, deposit entry, visit schedule and other day to day field collection related activities. Majority of our collection is done through automated clearing without the need of physical collections. Apart from taking recovery steps, team also educates the customers to exercise the discipline and for understanding the reason for default. Field visits and initiating legal actions for recovery under various laws are some of the measures undertaken by collection team for recovery.

Established and robust environmental, social and governance practices to ensure a sustainable business

At IIFL Home Finance, we are committed to minimizing our environmental impact and enhancing societal benefits through energy management systems, green lending, and effective waste management. Our structured ESG approach ensures responsible practices and long-term sustainability across the departments, with initiatives including energy-saving measures, waste reduction, and green financial products. We provide affordable home loans to underserved communities, foster a diverse and inclusive workplace, and support local education, healthcare, and livelihood projects. Our governance framework aligns ESG strategies with company goals, manages risks, and adheres to regulations. We set measurable ESG goals, monitor performance, and incorporate feedback, while maintaining transparency through detailed annual reports and meeting disclosure requirements. We publish detailed annual reports such as Integrated Annual Report, Sustainability Report, Business Responsibility and Sustainability Reporting (BRSR) to ensure transparent and ethical communication to all stakeholders, including employees, contractors, investors, customers, suppliers, the community, and regulators.

We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the EWS and LIG groups. Out of the total active customer base, 84.07% and 84.69% belongs to the EWS and LIG groups for the period ended September 30, 2024 and March 31, 2024 respectively. We serve the class of customers which are generally not serviced by the mainstream financial services providers, thereby contributing to the social objective of economic upliftment for these groups of the Indian economy.

Our approach to green building and green housing involves collaboration across the entire value chain. We work closely with developers, architects, homeowners, masons, contractors and government bodies to promote sustainable practices and ensure the successful implementation of green projects. By offering comprehensive assistance and in-house technical support, we empower these stakeholders to comply with green building standards, providing no-cost consultations to foster sustainable building practices within our communities. We have partnered with one of the major bank in the Asian region for a technical assistance programme to make affordable housing for women in India greener and more climate-resilient. This programme focused on improving accessibility, especially for lower-income groups and women, by raising awareness, integrating green lending, and adapting local rating systems through capacity building and research and innovation.

Well established brand, experienced and stable management team and strong corporate governance

IIFL Home Finance Limited., India's one of the leading affordable housing finance company, is a subsidiary of IIFL Finance Limited. with 79.59% shareholding, while Abu Dhabi Investment Authority has 20.41% stake in the Company.

We derive synergies from our Group Companies owing to the common brand. Our Company is able to leverage on the relationships of the Promoter and the Group Companies for competitive advantage.

Our Board of Directors is comprised of qualified and experienced personnel, who have extensive knowledge and understanding of the banking and finance industry. Both our Executive Director & CEO and the CFO have over two decades of experience in the financial services industry. Our executive management team also have significant experience in the products and services offered by us. We believe that our senior management and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses; and that their extensive relevant experience and financial acumen will continue to provide us with a distinct competitive advantage. Our management organization structure is designed to support each product line with a dedicated team of executives with substantial experience in their particular business domain.

We have successfully recruited and retained talented employees from a variety of backgrounds, including sales, credit evaluation, risk management, treasury and technology. Our senior managers have diverse experience in various financial services and functions related to our business. We believe that the knowledge and experience of our senior and mid-level management team members provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies.

Established track record of financial performance

We have been in the business of home financing for over 15 years and have shown a consistent performance over the years. Our AUM has grown at a CAGR of 22.60% from ₹23,617.37 crores as at March 31, 2022 to ₹35,498.55 crores, as at March 31, 2024. As on September 30, 2024, our AUM stands at ₹ 37,098.39 crores. Our disbursements during the September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 were ₹4,481.40 crores, ₹12,860.53 crores, ₹10,061.00 crores and ₹7,684.13 crores, respectively.

Our profit for the year grew from ₹578.00 crores in Fiscal 2022 to ₹1,026.84 crores in Fiscal 2024 at a CAGR of 33.29%. Our Profit for the period ended September 30, 2024 stands at ₹ 566.28 crores. As at September 30, 2024, our Net worth stands at ₹7,044.99 crores. Our CRAR stands at 42.84% as at March 31, 2024 and 48.95% as at September 30, 2024.

On a consolidated basis, our ROE and ROA stood at 16.94% and 4.41% as at March 31, 2024 and 16.49% and 4.48% as at September 30, 2024.

We believe that we are able to access borrowings at a competitive cost due to our credit ratings, stable credit history, conservative risk management policies and strong brand equity. Our financing requirements historically have been met from several sources, including refinancing from the NHB, term loans, working capital loans and external commercial borrowing.

As at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 our total borrowings was ₹ 16,867.54 crores, ₹ 17,683.61 crores, ₹ 14,953.20 crores and ₹ 14,220.61 crores, respectively and our average cost of borrowings for period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 8.32 %, 8.30%, 7.99% and 7.92% respectively.

We follow an asset light approach wherein we assign loans through direct assignment to banks and have also signed co-lending agreement with multiple banks, which enables us to optimize our capital and asset liability management. As at March 31, 2024, and assignment and co-lending accounts for 21.20% and 13.21%, respectively of the total AUM. and as at September 30, 2024 it stands at 23.38% and 15.54 % respectively.

Our Strategies

Leverage Technology to Grow Business and Drive Operational Efficiency

As a technology driven housing finance player, we are focussed toward making our customers' experience as seamless as possible. With advanced analytical tools and automation, we have made credit underwriting, appraisal and collection processes faster and accurate. We leverage technology to enhance our lead sourcing and customer fulfilment process. We have also entered into arrangements with digital lead aggregators and other digital companies to make the loan on-boarding process more hassle free and seamless.

Focus on providing affordable housing loans to EWS and LIG customers in the suburbs of Tier 1 cities, Tier 2 cities, Tier 3 cities and Tier 4 cities

We continue our focus on customers in the EWS and LIG income groups in the suburbs of Tier 1 cities, Tier 2 cities, Tier 3 cities and Tier 4 cities who are not adequately served by the large institutions. Further, as a social responsibility of our business we have a keen focus on first time home buyers and women owners/ co-owners. Most of these customers are situated in the suburbs of Tier 1 cities, Tier 2 cities, Tier 3 cities and Tier 4 cities. We leverage our cloud based flexible IT Infrastructure and architecture to offer our services to these customers, enabling central credit underwriting and disbursement and eliminating the need for huge physical infrastructure and full-fledged branch setup. Also, our digital platform gives us an opportunity to offer multiple services to our existing customer base. We believe that our digital platform will become a growth engine to offer our services to the masses and provide increased opportunity for cross selling.

Increase penetration in our existing markets and offer newer products

We intend to continue to expand our presence in an on-ground contiguous manner in order to achieve deeper penetration in the states where we have already established our presence by offering newer products, strengthening our on-ground team and establishing alternate channels of new business sourcing. We believe that our technology driven operating model is scalable and will assist us in expanding our operations with lower incremental costs to drive efficiency and profitability.

Reduce cost of borrowings by diversifying sources of borrowing and assigning loans through direct assignment to banks and financial institutions

We seek to reduce our average cost of long-term borrowings by diversifying our borrowing profile. Our primary financing is from private and public sector banks, the NHB, DFI funding and securitization transactions. We have also been a beneficiary of on-lending scheme of priority sector lending for housing. We will continue to engage with these and would also look at our avenues of financing which would include insurers, mutual funds, pension funds and public retail markets. We would also explore newer funding opportunities which would include green bonds and PTC's. We expect all of the above while it would result in diversification, these will also enable lower cost of borrowings.

We also follow an asset light approach wherein we assign loans through direct assignment to banks and also enter in co-lending relationships with various banks this enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management.

As at March 31, 2024, assignment and co-lending accounts for 21.20% and 13.21%, respectively of the total AUM and as at September 30, 2024 assignment and co-lending accounts for 23.38% and 15.54% respectively of the total AUM.

Key financial and operational information

The following table sets forth certain key financial and operational information, as of and for the periods indicated:

Statement of key operational and financial parameters based on standalone basis

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Balance Sheet				
Assets				
Property, plant and equipment	7.07	7.42	7.65	6.55
Financial assets (1)	24,702.48	25,327.37	21,678.55	17,897.01
Non-financial assets excluding property, plant and equipment (2)	98.24	99.52	98.98	106.34
Total assets	**24,807.79**	**25,434.31**	**21,785.18**	**18,009.90**
Liabilities				
Financial liabilities				
- Derivative financial instruments	-	2.61	-	5.05
- Trade payables(3)	58.20	73.73	50.95	50.81
- Debt securities	3,738.95	3,613.04	2,254.22	2,217.99
- Borrowings (other than debt securities)	12,312.07	13,033.19	11,620.67	10,944.93
- Subordinated liabilities	816.52	1,037.38	1,078.31	1,057.69
- Lease liabilities / Finance lease obligation	65.63	40.77	29.72	17.38
- Other financial liabilities	588.79	1,052.19	903.11	944.45
Non-financial liabilities				

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
- Current tax liabilities (net)	7.69	4.85	16.01	26.03
- Provisions	30.68	30.04	19.34	14.05
- Deferred tax liabilities (Net)	4.23	-	-	-
- Other non-financial liabilities	132.62	99.11	259.65	50.81
Equity share capital	26.34	26.34	26.34	20.97
Other Equity	7,026.07	6,421.06	5,526.86	2,659.74
Total liabilities and equity	**24,807.79**	**25,434.31**	**21,785.18**	**18,009.90**
Profit and Loss				
Total revenue from operations	1,872.52	3,109.17	2,603.58	2,086.08
Other income	8.66	184.42	127.58	135.36
Total income	**1,881.18**	**3,293.59**	**2,731.16**	**2,221.44**
Total expenses	**1,145.78**	**1,965.38**	**1,708.26**	**1,475.48**
Profit for the period / year	**566.28**	**1,026.84**	**790.33**	**578.00**
Other comprehensive income	**1.38**	(7.50)	11.67	19.90
Total comprehensive income for the period / year	**567.66**	**1,019.34**	**802.00**	**597.90**
Earnings per equity share of face value ₹ 10 each (not annualised for September 30, 2024)				
Basic (₹)	214.95	389.77	326.07	275.65
Diluted (₹)	212.41	388.53	326.07	275.65
Cash Flow				
Net cash generated from / (used in) operating activities (A)	253.38	(4,328.24)	(1,673.65)	(100.30)
Net Cash from / (used in) investing activities (B)	183.03	923.84	(874.61)	(202.28)
Net Cash from / (used in) financing activities (C)	(764.51)	2,547.30	2,777.79	1,288.98
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(328.10)	(857.10)	229.53	986.40
Cash and cash equivalents as at the end of the period / year	443.05	771.15	1,628.26	1,398.73
Additional Information				
Net worth [(4)]	7,044.99	6,442.01	5,549.61	2,676.66
Cash and cash equivalents	443.05	771.15	1,628.26	1,398.73
Gross loans	23,302.59	23,511.48	18,283.62	15,862.96
Gross loan book [(5)]	22,660.43	23,282.29	18,055.45	15,668.80

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Borrowings to total assets (6)	67.99%	69.53%	68.64%	78.96%
Interest income	1,624.74	2,916.86	2,273.93	1,875.75
Finance costs	729.49	1,327.78	1,182.09	1,062.48
Impairment on financial instruments / Impairment on financial instruments, including write - offs	101.30	116.64	166.73	160.00
Bad debts to gross loans (7)	0.60%	1.04%	0.77%	0.32%
Gross NPA % (8)	1.63%	1.47%	2.15%	2.10%
Net NPA % (9)	1.12%	1.02%	1.56%	1.32%
Tier I CRAR (%)	44.32%	37.62%	39.24%	21.10%
Tier II CRAR (%)	4.63%	5.22%	8.04%	9.38%

Notes

1. *Financial assets = Cash and cash equivalents + Bank balance other than Cash and cash equivalents + Derivative financial instruments + Trade receivables + Loans + Investments + Other financial assets. For details, please refer to reconciliation of key Non- GAAP financial measures on standalone basis.*
2. *Non-financial assets excluding Property, plant and equipment = Current tax assets (net) + Deferred tax Assets (net) + Investment property + Intangible asset under development + Other intangible assets + Right of use assets + Other non-financial assets + Assets held for sale. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis.*
3. *Trade payables= Total outstanding dues of micro enterprises and small enterprises + Total outstanding dues of creditors other than micro enterprises and small enterprises*
4. *Net worth = Equity share capital + Other equity – Prepaid Expenses. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis.*
5. *Gross loan book = Principal outstanding of gross loans. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis*
6. *Total borrowings to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis.*
7. *Bad debts to gross loans = Bad debts written off (net of recovery)/ gross loans. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis*
8. *Gross NPA % = Gross NPA / Gross loan book. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis.*
9. *Net NPA % = Gross NPA- Impairment loss allowance for stage 3 loan assets / Net loan book. For details, please refer to reconciliation of key Non-GAAP financial measures on standalone basis.*

Reconciliation of key Non-GAAP financial measures on standalone basis.

The following tables sets forth reconciliation of Key Non-GAAP financial measures on standalone basis, as at and for the periods indicated

Reconciliation from Cash and cash equivalents to Financial assets

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash and cash equivalents (A)	443.05	771.15	1,628.26	1,398.73
Bank balance other than cash and cash equivalents (B)	490.99	299.23	359.29	433.29
Derivative financial instruments (C)	4.37	-	41.99	-
Trade receivables (D)	33.39	47.94	40.59	34.41
Loans (E)	22,902.21	23,140.48	17,728.82	15,290.22
Investments (F)	216.53	582.13	1,427.24	383.26

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Other financial assets (G)	611.94	486.44	452.36	357.10
Financial assets (A+B+C+D+E+F+G)	**24,702.48**	**25,327.37**	**21,678.55**	**17,897.01**

Reconciliation from Current tax assets (net) to Non-financial assets excluding property, plant and equipment

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current tax assets (net) (A)	21.41	18.78	11.46	5.51
Deferred tax assets (net) (B)	-	31.46	45.62	64.09
Investment property (C)	2.09	2.16	2.29	6.63
Intangible asset under development (D)	0.18	0.34	-	-
Other intangible assets (E)	0.75	0.56	0.44	0.18
Right of use assets (F)	63.46	38.55	27.78	15.45
Other non-financial assets (G)	10.35	7.67	5.92	4.78
Assets held for sale (H)	-	-	5.47	9.70
Non-financial assets excluding property, plant and equipment (A+B+C+D+E+F+G+H)	**98.24**	**99.52**	**98.98**	**106.34**

Reconciliation from total outstanding dues of micro enterprises and small enterprises to trade payables

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total outstanding dues of micro enterprises and small enterprises (A)	5.30	3.12	3.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (B)	52.90	70.61	47.94	50.81
Trade payables (A+B)	**58.20**	**73.73**	**50.95**	**50.81**

Reconciliation from Equity share capital to Net worth

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity share capital (A)	26.34	26.34	26.34	20.97
Other equity (B)	7,026.07	6,421.06	5,526.86	2,659.74
Prepaid expenses (C)	7.42	5.39	3.59	4.05
Net worth (A+B-C)	**7,044.99**	**6,442.01**	**5,549.61**	**2,676.66**

Reconciliation from Total Borrowings to Total Borrowings to total assets

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Borrowings (A)	16,867.54	17,683.61	14,953.20	14,220.61
Total assets (B)	24,807.79	25,434.31	21,785.18	18,009.90

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Borrowings to total assets (A/B)	**67.99%**	**69.53%**	**68.64%**	**78.96%**

Reconciliation from Bad debts written off to Bad debts to gross loans

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Bad debts written off (A)	92.13	278.04	170.33	54.84
Bad debts recovery (B)	21.72	32.92	28.68	3.83
Bad debts written off (net of recovery) C= (A-B)	70.41	245.12	141.65	51.01
Gross loans (D)	23,302.59	23,511.48	18,283.62	15,862.96
Bad debts to gross loans (C/D)	**0.60%**	**1.04%**	**0.77%**	**0.32%**

Reconciliation from Gross loans to Gross loan book

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loans (A)	23,302.59	23,511.48	18,283.62	15,862.96
Unamortized processing fee income (B)	101.27	124.46	97.24	71.78
Assets held for sale (C)	-	-	9.52	15.98
Modification of restructured assets (D)	(1.71)	(2.03)	8.17	7.52
CBLO lending (E)	349.99	-	-	-
Fair valuation of loans through other comprehensive income (F)	5.71	10.55	12.14	12.89
Dues from customers (G)	75.84	51.14	41.24	37.53
Accrued interest on loans (H)	304.18	289.93	289.72	239.02
Inter-corporate deposits (I)	6.00	-	-	-
Gross loan book (A+B+C+D-E-F-G-H)	**22,660.43**	**23,282.29**	**18,055.45**	**15,668.80**

Reconciliation from Gross loan book to Assets under management

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loan book (A)	22,660.43	23,282.29	18,055.45	15,668.80
Direct assignment (B)	8,673.84	7,525.15	6,939.74	6,631.57
Co-lending (C)	5,756.15	4,675.61	3,492.37	1,264.66
Co-origination (D)	7.97	15.50	24.38	52.35
Assets under management (A+B+C+D)	**37,098.38**	**35,498.55**	**28,511.94**	**23,617.38**

Reconciliation from Debt securities to Total Borrowings

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Debt securities (A)	3,738.95	3,613.04	2,254.22	2,217.99
Borrowings (other than Debt securities) (B)	12,312.07	13,033.19	11,620.67	10,944.93
Subordinated liabilities (C)	816.52	1,037.38	1,078.31	1,057.69
Total borrowings (A+B+C)	**16,867.54**	**17,683.61**	**14,953.20**	**14,220.61**

Reconciliation from Gross NPA to Gross NPA %

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross NPA (A)	370.00	342.98	387.46	328.55
Gross loan book (B)	22,660.43	23,282.29	18,055.45	15,668.80
Gross NPA % (A/B)	**1.63%**	**1.47%**	**2.15%**	**2.10%**

Reconciliation from Gross NPA to Net NPA %

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross NPA (A)	370.00	342.98	387.46	328.55
Impairment loss allowance for stage 3 loan assets (B)	117.24	107.29	108.19	123.50
Net NPA(C) = (A-B)	252.76	235.68	279.27	205.050
Gross loan book (D)	22,660.43	23,282.29	18,055.45	15,668.80
Net loan book (E) = (D-B)	22,543.19	23,175.00	17,947.26	15,545.30
Net NPA % (C/E)	**1.12%**	**1.02%**	**1.56%**	**1.32%**

Statement of key operational and financial parameters based on consolidated basis

The following table sets forth certain key financial and operational information, as at and for the periods indicated:

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Balance Sheet				
Assets				
Property, plant and equipment	7.20	7.61	7.91	6.57
Financial assets (1)	24,673.02	25,313.80	21,681.02	17,921.27
Non-financial assets excluding property, plant and equipment (2)	123.01	125.31	122.11	114.54
Total assets	**24,803.23**	**25,446.72**	**21,811.04**	**18,042.38**
Liabilities				

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Financial liabilities				
- Derivative financial instruments	-	2.61	-	5.05
- Trade payables(3)	57.89	71.09	51.38	50.94
- Debt securities	3,738.95	3,613.04	2,254.22	2,217.99
- Borrowings (other than debt securities)	12,312.07	13,033.18	11,620.67	10,944.93
- Subordinated liabilities	816.52	1,037.38	1,078.31	1,057.69
- Lease liability / Finance lease obligation	81.63	63.26	52.00	25.64
- Other financial liabilities	588.79	1,052.18	903.12	944.45
Non-financial Liabilities				
- Current tax liabilities (net)	7.69	4.85	16.01	26.25
- Provisions	32.60	31.04	20.22	14.27
- Deferred tax liabilities (Net)	4.23	-	-	-
- Other non-financial liabilities	132.65	100.04	261.00	51.48
Equity share capital	26.34	26.34	26.34	20.97
Other Equity	7,003.87	6,411.71	5,527.77	2,682.72
Total liabilities and equity	**24,803.23**	**25,446.72**	**21,811.04**	**18,042.38**
Profit and Loss				
Total revenue from operations	1,874.64	3,121.02	2,581.90	2,087.12
Other income	8.66	195.74	156.11	141.81
Total income	**1,883.30**	**3,316.76**	**2,738.01**	**2,228.93**
Total expenses	**1,165.10**	**2,002.41**	**1,737.49**	**1,479.18**
Profit / (Loss) from associate accounted for using the Equity Method	**-**	**-**	**3.76**	**12.65**
Profit for the period / year	**553.41**	**1,016.55**	**768.12**	**593.44**
Other comprehensive income	1.42	(7.49)	11.81	19.69
Total comprehensive income for the period / year	**554.83**	**1,009.06**	**779.93**	**613.13**
Earnings per equity share of face value ₹ 10 each (not annualised for September 30, 2024)				
Basic (₹)	210.06	385.87	316.90	283.02
Diluted (₹)	207.59	384.64	316.90	283.02
Cash Flow				
Net cash generated from / (used in) operating activities (A)	253.82	(4,314.09)	(1,659.46)	(99.43)
Net Cash from / (used in) investing activities (B)	183.02	923.77	(876.20)	(202.25)
Net Cash from / (used in) financing activities (C)	(773.22)	2,536.82	2,771.25	1,288.98

(₹ in crores unless otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(336.38)	(853.50)	235.59	987.30
Cash and cash equivalents as at the end of the period / year	445.32	781.71	1,635.21	1,399.62
Additional Information				
Net worth [(4)]	7,022.79	6,432.25	5,550.33	2,699.64
Cash and cash equivalents	445.32	781.71	1,635.21	1,399.62
Gross loans	23,268.67	23,485.10	18,270.49	15,862.96
Gross loan book [(5)]	22,660.43	23,282.29	18,055.45	15,668.80
Total Borrowings to total assets [(6)]	68.01%	69.49%	68.56%	78.82%
Interest income	1,626.31	2,922.29	2,276.35	1,876.78
Finance costs	730.49	1,330.36	1,183.46	1,062.64
Impairment on financial instruments / Impairment on financial instruments, including write - offs	101.30	116.64	166.73	160.00
Bad debts to gross loans [(7)]	0.61%	1.04%	0.78%	0.32%
Gross NPA % [(8)]	1.63%	1.47%	2.15%	2.10%
Net NPA % [(9)]	1.12%	1.02%	1.56%	1.32%
Tier I CRAR (%)	44.32%	37.62%	39.24%	21.10%
Tier II CRAR (%)	4.63%	5.22%	8.04%	9.38%

Notes

1. *Financial assets = Cash and cash equivalents + Bank balance other than Cash and cash equivalents + Derivative financial instruments + Trade receivables + Loans + Investments + Other financial assets. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis.*
2. *Non-financial assets excluding Property, plant and equipment = Current tax assets (net) + Deferred tax Assets (net) + Investment property + Intangible asset under development + Other intangible assets + Right of use assets + Other non-financial assets + Assets held for sale. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis.*
3. *Trade payables= Total outstanding dues of micro enterprises and small enterprises + Total outstanding dues of creditors other than micro enterprises and small enterprises*
4. *Net worth = Equity share capital + Other equity – Prepaid Expenses. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis.*
5. *Gross loan book = Principal outstanding of gross loans. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis*
6. *Total Borrowings to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis.*
7. *Bad debts to gross loans = Bad debts written off (net of recovery)/ gross loans. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis*
8. *Gross NPA % = Gross NPA / Gross loan book. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis*
9. *Net NPA % = Gross NPA- Impairment loss allowance for stage 3 loan assets / Net loan book. For details, please refer to reconciliation of key Non- GAAP financial measures on consolidated basis*

Reconciliation of key Non- GAAP financial measures on consolidated basis.

The following tables sets forth reconciliation of Key Non-GAAP financial measures on consolidated basis, as at and for the periods indicated

Reconciliation from Cash and cash equivalents to Financial assets

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash and cash equivalents (A)	445.32	781.71	1,635.21	1,399.62
Bank balance other than cash and cash equivalents (B)	490.99	299.23	359.29	433.29
Derivative financial instruments (C)	4.37	-	41.99	-
Trade receivables (D)	33.48	48.18	47.50	36.91
Loans (E)	22,868.29	23,114.10	17,715.69	15,290.22
Investments (F)	216.48	582.08	1,427.19	403.41
Other financial assets (G)	614.09	488.50	454.15	357.82
Financial assets (A+B+C+D+E+F+G)	**24,673.02**	**25,313.80**	**21,681.02**	**17,921.27**

Reconciliation from Current tax assets (net) to Non-financial assets excluding property, plant and equipment

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current tax assets (net) (A)	23.55	20.56	11.66	5.51
Deferred tax assets (net) (B)	8.81	35.95	45.84	64.20
Investment property (C)	2.09	2.16	2.29	6.63
Intangible asset under development (D)	0.18	0.34	-	-
Other intangible assets (E)	0.75	0.56	0.44	0.18
Right of use assets (F)	77.26	57.52	50.22	23.54
Other non-financial assets (G)	10.37	8.22	6.20	4.78
Assets held for sale (H)	-	-	5.46	9.70
Non-financial assets excluding property, plant and equipment (A+B+C+D+E+F+G+H)	**123.01**	**125.31**	**122.11**	**114.54**

Reconciliation from total outstanding dues of micro enterprises and small enterprises to trade payables

(₹ in crores unless otherwise stated)

Particulars	As at Septembe r 30, 2024	Fiscal 2024	Fiscal 2023	Fisca l 2022
Total outstanding dues of micro enterprises and small enterprises (A)	5.96	3.12	3.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (B)	51.93	67.97	48.37	50.94
Trade payables (A+B)	**57.89**	**71.09**	**51.38**	**50.94**

Reconciliation from Equity share capital to Net worth

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity share capital (A)	26.34	26.34	26.34	20.97
Other equity (B)	7,003.87	6,411.71	5,527.77	2,682.72
Prepaid expenses (C)	7.42	5.80	3.78	4.05
Net worth (A+B-C)	**7,022.79**	**6,432.25**	**5,550.33**	**2,699.64**

Reconciliation from Total Borrowings to Total Borrowings to total assets

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Borrowings (A)	16,867.55	17,683.60	14,953.20	14,220.61
Total assets (B)	24,803.23	25,446.72	21,811.04	18,042.38
Total Borrowings to total assets (A/B)	**68.01%**	**69.49%**	**68.56%**	**78.82%**

Reconciliation from Bad debts written off to Bad debts to gross loans

(₹ in crores except otherwise stated)

Particulars	As at and for the period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Bad debts written off (A)	92.13	278.04	170.33	54.84
Bad debts recovery (B)	21.72	32.92	28.68	3.83
Bad debts written off (net of recovery) (C)	70.41	245.12	141.65	51.01
Gross loans (D)	23,268.67	23,485.10	18,270.49	15,862.96
Bad debts to gross loans (C/D)	**0.61%**	**1.04%**	**0.78%**	**0.32%**

Reconciliation from Gross loans to Gross loan book

(₹ in crores unless otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loans (A)	23,268.67	23,485.10	18,270.49	15,862.96
Unamortized processing fee income (B)	129.12	150.84	110.37	71.78
Assets held for sale (C)	-	-	9.52	15.98
Modification of restructured assets (D)	(1.71)	(2.03)	8.17	7.52
CBLO lending (E)	349.99	-	-	-
Fair valuation of loans through other comprehensive income (F)	5.71	10.55	12.14	12.89
Dues from customers (G)	75.84	51.14	41.24	37.53
Accrued interest on loans (H)	304.10	289.93	289.72	239.02
Gross loan book (A+B+C+D-E-F-G-H)	**22,660.43**	**23,282.29**	**18,055.45**	**15,668.80**

Reconciliation from Gross loan book to Assets under management

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross loan book (A)	22,660.43	23,282.29	18,055.45	15,668.80
Direct assignment (B)	8,673.84	7,525.15	6,939.74	6,631.57
Co-lending (C)	5,756.15	4,675.61	3,492.37	1,264.66
Co-origination (D)	7.97	15.50	24.38	52.35
Assets under management (A+B+C+D)	**37,098.39**	**35,498.55**	**28,511.94**	**23,617.38**

Reconciliation from Debt securities to Total Borrowings

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Debt securities (A)	3,738.95	3,613.04	2,254.22	2,217.99
Borrowings (other than Debt securities) (B)	12,312.07	13,033.18	11,620.67	10,944.93
Subordinated liabilities (C)	816.52	1,037.38	1,078.31	1,057.69
Total borrowings (A+B+C)	**16,867.54**	**17,683.60**	**14,953.20**	**14,220.61**

Reconciliation from Gross NPA to Gross NPA %

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross NPA (A)	370.00	342.98	387.46	328.55
Gross loan book (B)	22,660.43	23,282.29	18,055.45	15,668.80
Gross NPA % (A/B)	**1.63%**	**1.47%**	**2.15%**	**2.10%**

Reconciliation from Gross NPA to Net NPA %

(₹ in crores except otherwise stated)

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gross NPA (A)	370.00	342.98	387.46	328.55
Impairment loss allowance for stage 3 loan assets (B)	117.24	107.29	108.19	123.5
Net NPA (C) (A-B)	252.76	235.68	279.27	205.05
Gross loan book (D)	22,660.43	23,282.29	18,055.45	15,668.80
Net loan book (E) = (D-B)	22,543.19	23,175.00	17,947.26	15,545.30
Net NPA % (C/E)	**1.12%**	**1.02%**	**1.56%**	**1.32%**

Corporate Structure

Our Products and Services

We operate in the following lines of business: (i) housing loan; (ii) secured business loans (iii) affordable housing project loans.

We offer customers housing loan, secured business loans and affordable housing project loans, which accounted for 77.30%, 20.42% and 2.28% of our AUM, as at March 31, 2024, respectively, 78.48%,19.40% and 2.12% of our AUM, as at September 30, 2024, respectively.

Housing loan

Housing loan is extended to individuals for purchase of residential units or under construction property by approved builders, self-construction or home improvement on pre-owned property and purchase of land for construction of residential property. This product is offered primarily to cater the housing needs of salaried customers up to 70 years of age, self-employed and professional customers upto 75 years of age having documented as well as non-documented/ informal income. Both these types of borrowers can be either salaried or self-employed. Customers are on-boarded through our Jhatpat application that provides instant approval decisions. Our target customers are primarily the first time home buyers in the low and middle income groups. The maximum tenure for housing loan is 25 years depending on the borrower profile.

Secured Business Loans

Secured business loan is mainly extended for Business use i.e., meeting working capital requirements, investment in business, purchase of commercial property (Non-residential property), balance transfer of mortgage loan running with another financial institution (BT) and top-up to existing customers. Such loans are secured by mortgage on the residential property, land, or commercial property, as applicable. We also obtain personal guarantees from all property owners. This is a secured loan that can be availed not only against constructed residential or commercial properties, but also against a plot of land. Further, to cater to the financial needs of small business owners, we have a customized low ticket secured product. The maximum tenure for secured business loans is 12 years.

Affordable housing project loans

Affordable housing project loans constitutes 2.28%, and 2.12% of our AUM, as at March 31, 2024, and September 30, 2024, respectively, are designed to meet the construction funding requirements of real estate developers across the life cycle of their projects. The portfolio consists of 100% secured loans majority of which cater to affordable home which continue to be in demand. We primarily fund experienced developers and over 93% of our affordable housing project loans portfolio consists of developers having more than 5 years of real estate experience. The maximum tenure for Affordable housing project loans is 12 years.

These above portfolio characteristics with strict post disbursal monitoring including regular developer meetings, periodic project visits, developer data analysis and escrow management helped in maintaining portfolio quality.

The following table sets forth details of our AUM, disbursements and average ticket size for our housing loans, secured business loans and affordable housing project loans, for the periods indicated:

(₹ in crore unless otherwise stated)

Particulars	**As at September 30, 2024**	**As at and the Fiscal**		
		2024	**2023**	**2022**
AUM				
Housing loans	29,116.28	27,438.28	21,800.37	17,727.04
Secured business loans	7,194.07	7,249.85	5,904.59	5,346.13
Affordable housing project loans	788.04	810.42	806.98	544.20
Total	37,098.39	**35,498.55**	**28,511.94**	**23,617.37**
Disbursement				
Housing loans	3,548.94	9,210.05	8,075.77	6,099.94
Secured business loans	731.95	3,009.82	2,325.02	1,476.48
Affordable housing project loans	199.95	640.67	487.73	107.70
Total	4,480.83	**12,860.54**	**10,061.00**	**7,684.13**
Average ticket size on AUM				
Housing loans	0.16	0.15	0.16	0.17
Secured business loans	0.10	0.10	0.14	0.28
Affordable housing project loans	7.02	5.83	10.56	21.13
Total	0.15	**0.14**	**0.16**	**0.18**

Branch Network and geographical distribution

As at September 30, 2024, we operate in 18 states and 2 union territory with 387 branches. However, we have a significant presence in the states of Delhi NCR, Gujarat, Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Maharashtra and Tamil Nadu through 323 branches.

The following table sets forth certain details of our branch network, as at September 30, 2024:

Sr. No.	State	Number of Branches	Percentage of AUM (%)
1.	Andhra Pradesh	51	7.06%
2.	Maharashtra	45	18.86%
3.	Telangana	43	9.29%
4.	Rajasthan	37	5.83%
5.	Gujarat	37	8.73%
6.	Tamil Nadu	36	3.02%
7.	Madhya Pradesh	34	6.77%
8.	Karnataka	31	6.57%
9.	Delhi NCR	9	23.06%
10.	Others	64	10.81%

Before setting up new branches, we conduct due diligence covering factors which includes regional demographics, quality of credit, size of the market, ease of penetration and the competitive landscape. We also examine the delinquency levels of financiers for housing loans and other loans to understand the repayment history of borrowers in the region. We have increased our geographical presence by adopting a strategy of contiguous expansion across regions and have set up branches in districts which offer us significant growth potential.

Customer Base

Our target customer division comprises individuals from the EWS and LIG groups in the suburbs of Tier 1 cities, Tier 2 cities, Tier 3 cities and Tier 4 cities who have limited access to formal banking credit. We offer loans to both salaried and self-employed individuals in formal and informal groups. We cater to customers who do not have formal income proofs, payslips, or income tax returns, and hence may be excluded from being served by banks or large financial institutions. As a result of our expertise, experience and business model and comprehensive credit appraisal criteria, we believe that we are able to effectively serve such customers and grow our business, while monitoring and mitigating risks.

As at March 31, 2024 and September 30, 2024, we were servicing 3,02,558 and 3,17,740 active loan accounts, respectively. Loans to salaried customers accounted for 48.25% and 48.28% of our total live accounts, while loans to self-employed customer accounted for 51.75% and 51.72%, as at March 31, 2024 and September 30, 2024, respectively. As at March 31, 2024 and September 30, 2024, 59.83% and 59.79% of our AUM were from customers who belonged to the EWS and LIG category and 20.86% and 21.21% of our total live accounts were from customers who were new to credit, respectively. We target first time home buyers where the collateral is a proposed self-occupied residential property.

The following table sets forth certain details of our customer base, as of the dates indicated:

	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Number of total loan accounts	3,17,740	3,02,558	2,23,719	1,61,642
Self-employed loan accounts	1,64,347	1,56,566	99,362	63,205
Salaried loan accounts	1,53,393	1,45,992	1,24,357	98,437
New to credit accounts* *(%)*	21.21%	20.86%	19.02%	19.47%

**New to credit represents loans where customers do not have a credit history or where the credit history is too recent for CIBIL to give credit scores to the customers.*

The table below indicates the income-wise split of AUM as of and for the periods indicated:

(₹ in crore unless otherwise stated)

Particulars	As at September 30, 2024	As at and for the financial year ended March 31		
		2024	2023	2022
Salaried	19,727.63	18,400.38	14,883.25	11,772.70
Self-employed	17,370.76	17,098.17	13,628.69	11,844.67
AUM	37098.39	35,498.55	28,511.94	23,617.37

Loan-to-Value (LTV) Ratio, EMI and Tenure of housing loan

The RBI Master Directions prescribe the maximum permissible parameters of the loan amount that can be provided to housing loan customers. Loan amount of up to ₹ 0.30 crores is permitted to have a maximum LTV ratio of up to 90.0%, loan amount between ₹0.30 crores and ₹0.75 crores is permitted to have maximum LTV ratio of up to 80.0% and loan amount above ₹0.75 crores is permitted to have maximum LTV ratio of up to 75.0%.

While approving a loan application, we review, among others, the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, family details, the customer's business and salary profile and the security being provided by the customer. We have built in rule engines in our systems with respect to monitor the above prescribed LTV norms.

Our housing loans and secured business loans had an average loan-to-value on sanction of 71.65% and 48.34%, as at March 31, 2024, respectively, 71.30%, and 47.06% as at September 30, 2024, respectively . The offered tenure of our housing loans and secured business loan is for a period up to 25 years and 10 years, respectively, and vary according to the purpose of the loan, the customer's age and the customer division.

Interest Rates, Fees and Collateral for housing loan

The rate of interest charged to the customer is linked to the "benchmark PLR" which is determined based on cost of funds, operational expenses of the company and minimum "margin". The effective rate of interest may vary or fluctuate during the term of the loan especially if there are any changes in PLR. The parameters like credit scoring, loan amount, profile type etc. contribute to the margin being higher or lower at the time of on-boarding the customer.

The rate of interest offered to a particular customer is the summation of this BPLR and the margin. The variable rate loans are offered to the customers at PLR – discount/+ premium as decided at the time of sanctioning of loan. The company evaluates the PLR periodically. To cover the cost incurred in the loan process, we charge one-time processing/administrative fee from our customers.

The underlying collateral for a loan is the house towards which the loan is provided, either for construction, purchase or improvement. The security for housing loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property. We also obtain guarantees from a guarantor in certain loans. We advise insurance coverage to customers wherein the entire loan outstanding is repaid by the insurance company in the event of death of a customer.

Business processes

Business origination

We generate loans through both in-house direct sales team ("DSTs") and external direct sales agents ("DSAs"). Loans sourced through DSTs can be through our website, social media platforms, walk-ins, cross sell etc. or may be sourced directly by DST. We have dedicated policy defining norms which have to be complied before taking a DSA on our panel. Our contribution from DSTs to total disbursements has remained almost consistent i.e. from 86% in Fiscal 2022 to 84% in Fiscal 2024. DSTs utilise Jhatpat Application for on-boarding a new home loan borrower. As at September 30, 2024, our direct selling team comprised 2,617 members.

Our target customers are individuals with low to middle range income levels. Self-employed individuals include both professionals and small business owners and salaried individuals hail from a broad spectrum of companies/firms across industries. We cater to the broad section with a range of loans with suitable ticket-sizes.

Credit approval and disbursement process

Our credit policy is approved by the Board of Directors. Loan approval for housing loans and secured business loans is undertaken with the help of our in-house technology that integrates various business rule engines. Our lending policy is automated in our on-boarding application "Jhatpat", which filters out the non-eligible customers for loan processing. The details of qualifying customers flow to our in-house loan processing system and are processed by our central team of underwriters. The paperless credit evaluation includes online validation of KYC, credit history check, income/ financial analysis, banking analysis, contact point verification and profile verification, where required. The eligibility of customers is auto calculated in the system. These digital verifications and automation not only enable the underwriters to process a loan application faster but also helps them to review a greater number of loans in a day leading to faster turnaround time ("TAT") for our customers.

The affordable housing project loans are sourced by the business teams wherein the focus is on lending to reputed developers having successful completion track record and active in the space of developing affordable housing projects, requiring construction funding. The developer should be of strategic relevance and complement to our retail strategy as well. A thorough discussion by the business and the credit team with the developer is done to understand his funding requirements. The processing of the loans is done by the specialised central credit team in accordance with the laid down guidelines and the loan proposal is evaluated on the parameters such as developer's overall real estate experience, execution capabilities and timely delivery, past repayment history, group strength and market reputation. Project assessment includes micro market analysis, location advantages, stage of construction, project future cash flow potentials, sales potential, execution capabilities and timely delivery, past repayment history, group strength and market reputation, etc. done both by in-house legal and technical team and but also through reputed international property consultants and law firms. After doing a thorough developer data analysis its audit, financial and banking analysis, legal and technical evaluation commenting on the clear title and availability of requisite approvals, RERA registrations etc., a detailed note is prepared and loan sanction is granted post approval from requisite authorities. The loan is subject to strict post disbursal monitoring by the central credit team which includes ensuring security perfection, regular developer data analysis and audit, escrow account, periodic review of project progress, etc.

For our construction finance business, we operate largely in Tier 1 and Tier 2 cities. Our underwriting team conducts an exhaustive review of the developer's space in affordable/budget homes and /or who can offer such projects to meet construction finance requirements, our team also verify financial health, historical project outcomes, developer's leverage ratios and credit bureau standings of developers. The developers who complies with green building norms are preferred. The team also scrutinizes project approvals, local market conditions, competitive benchmarks and gathers feedback from our existing clientele, in addition to obligatory site inspections. The underwriting process integrates various construction-related benchmarks, including progress milestones, sales velocity and collection targets. The offered tenure of our loan tenor for construction finance is for a period up to 5 years (including Principal Moratorium period, if any), however this tenor can be extended depending on size of the project and construction in phases.

Affordable housing project loans

We offer financing to developers for residential projects, commercial area being developed as part of the residential to the extend of 15% can be considered)

The units in project should be part of affordable housing adopting a D2C approach. Our strategy emphasizes cultivating a granular loan book by extending construction finance to developers with a proven record of on-time project completion, strong financial health and consistent loan repayment practices. The loans provided in this section are secured through project cash flows, project inventory, land and undivided share of land. Our commercial construction finance offering, initiated in Fiscal 2022. As at September 30, 2024, we made affordable housing project loans products available across 48 locations in India.

Affordable housing project loans are disbursed in stages tied to the project's construction timelines. Each finance agreement includes specific guardrails, such as construction progress, sales targets, a cap on funding relative to project costs, projected project completion in relation to construction stages and collection goals through retail home sales. These milestones, established at the loan's sanction stage, are subject to ongoing scrutiny by our centralized risk management team to ensure compliance and progress.

Sourcing strategy

Our dedicated sourcing team operates across 30 operating locations. This team monitors local market trends, monitoring new project launches and absorption rates. Every developer financing agreement is backed with an escrow mechanism to manage project cash flows, which includes well-defined sweep structures within regulatory guidelines. Although we may offer principal moratoriums during the initial construction phase, interest payments are serviced by the customers on a monthly basis.

As at September 30, 2024, the salient features of our affordable housing project loans product are:

- an overall average ticket size of ₹ 7.02 crores;
- 245 active funded projects; and
- 221 active developer relationships.

In addition to the aforesaid, legal and technical verification of the property is conducted in all the loans by in-house as well as by external vendors depending on the transaction type and verification required. We have empanelled professionally qualified legal vendors and valuation agencies to carry security evaluation for us. These vendors are supervised by our professionally qualified independent legal and technical team. Our in-house technical team undertakes field visits to identify the location of the proposed collateral. The enhanced legal verification process is followed by bifurcating the process into legal search and legal report. The central in-house legal team which comprises of legal professionals having diversified experience prepares the legal opinion by checking the title documents of the proposed collateral for ascertaining the title flow and its authenticity. Further they use technology by accessing various central and state specific government sites and repositories to digitally trace the property and ownership records for title search resulting in faster and accurate legal opinions. An external legal search is conducted through external lawyers if it requires physical verification at the office of the concerned authority.

The loans are disbursed at the branches with a maker-checker concept post validating disbursement documentation, e-sign on digital doc-kits, eNACH and original security documents. We endeavour to mitigate risk through defined loan documentation, and execution of equitable mortgage prior to the disbursement of the loan. In addition, key terms and conditions are usually communicated to the prospective customer.

Loan collection and monitoring

Our loan collection and monitoring is fully digitized and we use digital communication channels for monitoring our loans. Our in-house collection team comprises of tele-calling team, field collections and legal recovery. We send customers reminders before the due date using omnichannel communication like text messages and automated calls. We have logics in place to identify certain risk divisions of customers who need more focus than others and we send multiple channel reminders. Recovery actions are initiated immediately as and when the customer defaults. The degree of engagement increases with increase in number of days past due.

In case of delay in payment of EMI, we use our CRM platform to generate data and monitor the actions taken on these cases. Default cases are assigned to tele-calling team or field collections, using predefined logics present in system. Our platform empowers us to identify the focus areas and initiate campaigns based on the previous feedback entered by the collection agents. We have also provided a mobile application which is an end-to-end platform for our feet-on-street collection managers. This app helps them for receipt entry, deposit entry, visit schedule and other day to day field collection related activities. Collection Manager also uses our multiple online payment collection channels to reduce physical cash collection activities. For difficult to recover cases, we have related legal process initiated in parallel to field visits to assist our agents collect customers' outstanding. The legal collection team also uses digital platforms for efficient tracking of cases.

Our loan collection mechanism for project finance is managed through Escrow mechanism. The loan is getting repaid from the project receivable which is shared between the lender and the developer as defined in the sanction letter. The EMIs are collected through ACH banking every month. In case of delay in payment of EMI, the first level escalation is to the concerned business & in-house collection team. We also maintain a Debt Service Reserve Account (DSRA) for each case which has an amount equivalent to 3 months of interest. As the second level of escalation, DSRA is liquidated and adjusted towards the pending EMI. Once the EMI is collected, DSRA is replenished again.

Customer Service

Our Company focuses on catering to the ever evolving needs of the diverse market. Our customers raise their request, highlight concerns or avail our offerings through a network of channels and platforms like customer portal, mobile application, chatbot on website, customer service call centre, social media platforms etc. Once a query reaches us from any medium, a robust automated workflow in our customer service platform at the backend handles these queries. Majority of the queries of the customers are automated end to end without manual intervention, providing real time resolution to the customer.

Treasury Functions

Our treasury department is responsible for our capital requirements and asset liability management, liquidity management and control, diversifying fund raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in our investment policy. We have obtained financing from a variety of sources including term loans and working capital facilities; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings, mutual funds and insurance companies to meet our capital requirements. We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. Our treasury and finance team periodically submit their reports to our asset liability management committee, which submits its findings to our Board.

Our financing requirements have historically been met from a variety of sources including private and public sector banks, the NHB, DFI funding and securitization transactions. We have also been a beneficiary of on-lending scheme of priority sector lending for housing. Below is the split for cost of borrowings:

(₹ in crores unless otherwise stated)

Sr. No.	Total Borrowings	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
A	Borrowings (other than debt securities) {excluding Sr. No. B and D below}	7,645.97	45.33%	8,096.41	45.78%	8,355.55	55.88%	7,763.93	54.60%
B	Term Loans from National	4,534.43	26.88%	4,791.49	27.10%	3,085.44	20.63%	2,763.71	19.43%

(₹ in crores unless otherwise stated)

Sr. No.	Total Borrowings	As at September 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
	Housing Bank - (B)								
C	Debt Securities - Secured - (C)	3,213.01	19.05%	3,380.40	19.12%	2,254.22	15.08%	2,144.04	15.08%
D	Securitisation Liability - (D)	131.67	0.78%	145.28	0.82%	179.68	1.20%	417.29	2.93%
E	Subordinated liabilities - (E)	816.52	4.84%	1,037.38	5.87%	1,078.31	7.21%	1,057.69	7.44%
F	Commercial Paper - (F)	525.94	3.12%	232.64	1.32%	0.00	0.00%	73.94	0.52%
	Total (A+B+C+D+E+F)	**16,867.54**	**100.00%**	**17,683.61**	**100.00%**	**14,953.20**	**100.00%**	**14,220.61**	**100.00%**

As at September 30, 2024 the outstanding balance of loans assigned by way of assignment of stands at ₹ 8,673.84 crores which constitute 23.38% of our AUM. Our average cost of borrowings for period ended September 30, 2024 is 8.32% (*Excludes others costs).

Capital Adequacy Ratios (CRAR)

The RBI Master Directions require HFCs to comply with a capital to risk (weighted) assets ratio, or Capital Adequacy Ratio, consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital may not be less than 15% of the sum of the HFC's risk-weighted assets and the risk-adjusted value of off-balance sheet items, as applicable, with a minimum requirement of Tier I capital of 10% on risk-weighted assets. Further, the total of Tier 2 capital, at any point of time, shall not exceed 100 per cent of Tier 1 capital.

The following table sets forth certain details of our Capital Adequacy Ratio, as at the dates indicated:

(₹ in crores unless otherwise stated)

	As at September 30, 2024	As at March 31,		
		2024	2023	2022
CRAR (%)	48.95%	42.84%	47.28%	30.48%
Capital Adequacy Ratio – Tier I Capital	6,323.96	5,868.46	5,082.06	2,210.71
Capital Adequacy Ratio – Tier II Capital	661.26	814.42	1,041.91	983.44

Credit Ratings

Our current credit ratings are set forth below:

Instrument	Name of the Rating Agency	Rating Assigned
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable (pronounced as CRISIL double A rating with stable outlook)
Long Term Principal Protected Market Linked Debentures		CRISIL PP-MLD AA/Stable
Principal Protected Market Linked Non-Convertible Subordinated Debentures		CRISIL PP-MLD AA/Stable
Subordinated Debt		CRISIL AA/Stable (pronounced as CRISIL double A rating with stable outlook)
Non-Convertible Debentures		CRISIL AA/Stable (pronounced as CRISIL double A rating with stable outlook)
Commercial Paper		CRISIL A1+
Commercial Paper Programme	ICRA Limited	[ICRA]A1+
Non-convertible Debenture Programme		[ICRA]AA;Stable
Subordinated Debt programme		[ICRA]AA;Stable
Long Term Fund Based Bank Lines Programme		[ICRA]AA;Stable
Long term market linked debenture programme		PP-MLD[ICRA]AA;Stable
Secured NCD	Brickwork Ratings	BWR AA+/Negative
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative
NCDs	Brickwork Ratings	BWR AA+/Negative
NCDs	India Ratings	IND AA/Stable

Risk Management Framework

Risk management is integral to the Company's business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we face financial and non-financial risks. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

The Company has a well-defined Risk Management Strategy and a Framework which is designed to identify, measure, monitor and mitigate various type of internal and external risks. Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A Board of Directors approved Risk Management Policy has been put in place to establish appropriate systems or procedures to mitigate all material risks faced by the Company.

The company is exposed to different types of risks emanating from both internal and external sources. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

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

As a housing finance company, our Company has to manage various risks associated with the lending business. The major risks include credit risk, operational risk, liquidity risk, market risk and regulatory risk.

Credit Risk

Credit risk refers to risk of loss that may occur from the default by our customers under our agreements. This is inherent and most dominant of the risks in the lending business. We manage credit risks by using a defined set of credit norms, procedures and policies, which are approved by our Board and integrated in our technology platform which reduces the frequency of judgment-based errors. The risk team review of the policies, process and products on an ongoing basis and highlights and suggest changes based on their trend analysis wherever necessary. Our credit team ensures the implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information and loan closure documents and highlight early warning signals and industry developments enabling pro-active field risk management.

We use technology to verify the identity and other loan documents submitted by the borrower along with digital underwriting. This integration of new data sources enables better insights for credit decisions, while real-time data processing, reporting, and monitoring further improves overall risk management capabilities. Our portfolio management uses advanced analytics and machine-learning tools to identify the problematic loans at an early stage. Based on the continuous review mechanism, credit policies and processes are being reviewed and appropriate changes are undertaken. An independent internal audit team conducts regular review of credit files on a sample basis to ensure adherence to the policies.

Further a stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the company.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. In order to address and mitigate the operational risks, we have an operational risk management policy in place, which sets out processes and controls that are required to be monitored at different points of time in relation to people, systems and processes. The user access manual defines effective segregation of duties, access, authorisation and reconciliation procedures for employees. An effective maker checker mechanism is further put in place to ensure elimination of errors and misuse of the systems in complex set of processes which is constantly monitored by internal audits.

It is as a continuous process which includes risk assessment, decision making, and implementation of controls, which results in acceptance, mitigation or avoidance of risk. To have a preventive vigilance and control the transaction risk, Risk Containment Units have been established at major locations, wherein hind sighting, upfront scrutiny and curbing of malpractices are undertaken. Operational costs are also reduced as credit processes are digitized. A greater share of time and resources can be dedicated to value-added activities, as inputs and outputs become standardized and paperless.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of capital at an appropriate cost and tenure. We may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of financing an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines.

We monitor liquidity risk through our Asset and Liability Management Committee in line with a well-defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity.

Our treasury department seeks to maintain flexibility in funding mix by way of sourcing the funds through multiple sources, including banks, financial institutions, money markets, debt markets and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with various banks, mutual funds, financial institutions, insurance companies, the NHB, other domestic and foreign financial institutions and rating agencies, etc.

Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Market risk is managed by investing in accordance with our investment policy which includes implementing stringent controls and limits, regular reporting of positions, regular independent review of all controls and limits, and testing and auditing of all pricing, risk management and accounting systems. The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

Interest Rate Risk

We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our funding sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. Though our interest rate risk remains in sync with our lending and borrowing function, we always try to manage interest rate risk, by optimizing our borrowing profile between short-term and long-term loans. We adopt funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB). The company has limited exposure of foreign exchange risk which is fully hedged The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

Price Risk

Price risk is the risk that the value of a security or investment will decrease. The company uses tools such as sensitivity analysis, price trend analysis etc. to hedge the price risk.

Regulatory Risk

Regulatory risk is the risk that can materially impact a company due to changes in laws and regulations made by the government or a regulatory body like NHB, RBI, SEBI etc. It can increase the costs of operating the business, and/or change the competitive landscape. We have a robust corporate governance process in place to ensure that we are compliant with all the applicable laws, rules, regulations and guidelines. The Company makes changes in its systems and practices to realign itself with the changed regulatory framework from time to time as required.

Information Technology

We are able to manage our nationwide operations efficiently and market effectively to our target customers including round the clock support. Policy and processes are aligned with RBI, NHB Master Directions, ISO 27001 and Industry best practices and industry standard security solutions are implemented to control security and Cyber Risks.

Overall IT setup is also highly scalable to meet urgent business demands as the applications workloads are hosted on cloud which has enough resources and storage capacity in the backend. With Strong and skilled in-house Technology Team along with adoption of robust IT Architecture and agility, business objectives and customer requirements are getting fulfilled with faster roll out of products and services.

Our Company continues to sustain its commitment to the highest levels of quality superior service management, robust information security practices and mature business continuity management. In FY 2024, the Company successfully completed the annual ISO 27001:2013 (ISMS) surveillance audit. We have strengthened our Information and Cyber Security posture and other risk measures to mitigate potential threats, risks and challenges. Security of customer data considered as a paramount importance for the organization. We have also sustained compliance with respect to various applicable laws and regulations from RBI, NHB, CERT-IN in terms of Technology, BCM and Information Security Guidelines.

We believe in skill development for staff and this also been a focus area and various e-learning modules on Technology and other Business areas are enabled for employees via online trainings and mobile applications. We have also adopted Defence in Depth approach to safeguard client information.

Best security controls/best practices are in place to safeguard client information. This includes Next Generation Firewall to secure the network perimeter, Web application Firewall & 24x7 Security Operation Centre to protect the web applications and IT Infrastructure from security attacks, Brand Protection to protect the abuse of the IIFL brands, DNS Security services to prevent threats to IIFL from DNS levels, Monthly Security Patching of Servers to protect systems from known vulnerabilities, Next Generation Antivirus, Anti-Phishing solutions implemented to protect users from phishing attacks, restricted Endpoint system Accesses and MDM Solutions. Regular VAPT Assessments are done for proactive identification of vulnerabilities in systems and business applications. Robust Business Continuity Framework is in place to manage continuity of business operations during disaster situation and ISO22301:2019 (BCMS) certification is achieved in FY2024.

Sustainability initiatives

At IIFL Home Finance, we are dedicated to reducing environmental impact and advancing social benefits through sustainable practices. Our ESG approach includes energy management, green lending, waste reduction, and eco-friendly building practices. We offer affordable home loans to underserved communities, foster diversity, and support local education, healthcare, and livelihood projects. Our governance framework aligns ESG strategies with company goals, manages risks, and ensures regulatory compliance. We are committed to the UN's Sustainable Development Goals (SDGs) and emphasize eight key SDGs, demonstrating our dedication to responsible environmental stewardship and resource use. We believe in being affordable, accessible and sustainable in everything we do. With our 'Green Value Partner', a team of architect, engineers and green building experts, we have launched initiatives like 'Humara Kutumb' which focuses on promoting affordable and sustainable housing solutions, and ‘Green handbook’ that provides step-by-step guidance on designing and constructing sustainable homes. We also partnered with one of the major Banks in Asian regions for a technical assistance programme to make affordable housing for women in India greener and more climate resilient.

‘Kutumb’ is a knowledge-sharing platform aimed at advancing sustainable development in India’s affordable housing sector. It unites designers, architects, green building certification agencies, financial institutions, technology providers, and developers to exchange information and reduce risks associated with sustainable design and technology. Building on Kutumb's success, Phase II, 'Humara Kutumb,' focuses on grassroots engagement. This phase transitions from discussion to direct community involvement, with the goal of helping communities build affordable and sustainable homes using practical insights from the Kutumb sessions.

Green Value Partner - IIFL Home Loans has launched the Green Value Partner (GVP) program. GVP aims to minimize environmental impact by supporting the development of green affordable housing in India. The program focuses on scaling affordable and sustainable development and empowering local communities to innovate. GVPs provide comprehensive support to developers throughout the project lifecycle, ensuring that green building criteria are met and certifications are achieved. Under GVP, initiative we have 23,620+ green building project under management as at March 31, 2024, since inception.

‘Green Handbook’ - The Green Handbook 1.0 was created to revolutionize home design and construction in India by promoting sustainable practices. It offers comprehensive guidance for developers, architects, and homeowners to build 'GREEN HOMES' that are environmentally friendly and high performing. Building on its success, Green Handbook 2.0

extends this mission to empower homeowners, contractors, and small developers, especially in Tier 2 and Tier 3 cities, with tailored green building practices. This updated edition focuses on self-construction for low-rise residential buildings, addressing the need for sustainable design and construction at a more localized level.

Intellectual Property

Our intellectual property includes licenses and domain registrations associated with our business. Our Company has entered into a trademark license agreement with IIFL Capital Services Limited (formerly known as IIFL Securities Limited) dated April 12, 2021. Pursuant to which, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has granted our Company with a non-exclusive right and license to use the trademark, service mark pertaining to "IIFL" and our logo that include the image . .The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the trademark license agreement. Further, our Company has also registered a logo associated with its brand and operation i.e. vide registration certificate dated July 14, 2024.

Marketing

Given the demographics and spread of our target audience, we connect with prospective customers through our local outreach, ground activations and social media efforts and engagement. We undertake activities such as local market activations, local branding and promotional activities through wall paintings, RWA activations, branch branding, etc. We use our social media handles extensively to communicate and engage with our prospective/existing customers for promoting our services and offerings. We use the handles also for updating customers regarding any new product or service offering. In addition to social media, our website is used extensively for sourcing new leads/business at a lower cost.

We also extensively utilise public relations initiatives to create awareness amongst our target audience and stakeholders, which aids in creating stronger goodwill and brand equity in the market.

Competition

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs, small finance banks as well as scheduled commercial banks. We generally compete on the basis of the range of product offerings, interest rates, fees and customer service, turnaround time and simple, transparent and efficient loan process as well as for skilled employees, with our competitors.

See "Risk *Factors – Internal Risk Factors - The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business, cash flows, financial condition and results of operations.*" on page 52.

Insurance

Our Company has insured its various properties and facilities against the risk of fire, burglary, breakdown of office equipment, risk of financial loss due to fraud and other perils including public liability which covers the legal liability arising out of third party bodily injury or third-party property damage in company premises. Our Company has obtained money policy to cover "money in safe and till counter and money in transit" for the branches and various offices.

Our Company also has in place a group mediclaim policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

For a discussion of certain risks relating to our insurance coverage, please refer to the section titled "*Risk Factors" - Internal Risks and Risks Associated with our Business - Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position."* on page 51.

Employees

As at September 30, 2024 we had 5,434 employees. We recruit after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. Our learning and development programs and a third party application help our employees build their skills, in the most suitable and easy of bite-sized-learning on the fly, helping them in their transformation journey. This is in addition to the mandatory trainings that all our employees undergo every year, which includes training on anti-money laundering, data security, prevention of sexual harassment, anti-corruption, etc. Because of our open, inclusive workplace culture, policies and employees at large, we are Great Place to Work® certified consistently for the past three years.

The following table sets forth the function wise split of our employees, as of September 30, 2024:

Function	Number of employees
Sales	3,814
Credit	415
Legal and technical	196
Collections	649
Operations	67
Support function	293
Total	**5,434**

Corporate Social Responsibility

The Corporate Social Responsibility ("CSR") Committee of the Board has formulated and recommended a CSR Policy that outlines the CSR activities undertaken by IIFL Home Finance Limited ("IIFL HFL" or "Company"). IIFL HFL's CSR initiatives are strategically aligned with three primary focus areas: fostering sustainable social transformation by empowering underprivileged communities through education, financial literacy, and healthcare access; improving access to affordable and sustainable housing, particularly through key projects like the flagship 'Humara Kutumb' initiative, which promotes green building practices and housing for economically weaker sections; and promoting financial inclusion by enhancing financial literacy, providing access to financial services, and supporting initiatives that drive financial stability among underserved populations. Through these efforts, IIFL HFL aims to create a lasting and positive impact on society, aligning its business goals with the broader objective of national development.

The amount spent towards Corporate Social Responsibility (CSR) activities on standalone basis for Fiscal 2024, 2023 and 2022 are ₹11.77 crores, ₹7.90 crores and ₹7.54 crores.

Properties

Our registered office, which is located at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India, is on leased premises, and our corporate office which is located at Plot No. 98, Udyog Vihar Phase – IV, Gurgaon – 122 015, India, has been taken on a leave and license basis. As at September 30, 2024, we conducted our operations through 387 branches and the premises of all our branches have been taken on a lease or leave and license basis.

HISTORY AND MAIN OBJECTS

Corporate Profile

Our Company was incorporated under the provisions of the Companies Act, 1956 on December 26, 2006, under the name of India Infoline Housing Finance Limited. Its name was changed to 'IIFL Home Finance Limited' pursuant to fresh certificate of incorporation dated May 2, 2018, issued by the Registrar of Companies, Maharashtra, Mumbai. It is registered with the NHB as a housing finance company vide registration no. 09.0175.18 dated September 14, 2018. The NHB registration no. before change of name of IIFL Home Finance Limited was 02.0070.09 dated February 3, 2009. The IIFL Home Finance Limited has been notified as a financial institution under SARFAESI Act vide Government notification dated June 23, 2010. For details regarding our Promoter see, "*Our Promoter*" beginning on page 165.

Change in registered office of our Company

Our Registered Office is located at IIFL House, Sun Infotech Park, Road no. 16V, Plot no. B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India. Except as set forth, there has not been any change to the Registered Office since incorporation.

Date of change of Registered Office	Details of changes in the address of registered office
Incorporation - December 26, 2006	Building No. 75, Nirlon Complex, off Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra, India
April 24, 2010	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, India
June 18, 2013	12A-10, 13th Floor, Parinee Crescenzo, G Block, C-38 & 39, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India
April 15, 2019	IIFL House, Sun Infotech Park, Road no. 16V, Plot no. B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400604, Maharashtra, India

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

a. To carry on the business of providing finance to any person or persons, company or corporation, society or association of persons with or without interest and with or without any security for the purpose of enabling such borrower to construct/purchase any house, flats or buildings or any part or positions thereof for residential or commercial purposes on such terms and conditions as the company may deem fit and to also provide finance to persons engaged in the business of construction of houses, flats or buildings for residential or commercial purposes to be sold by them by way of hire purchase or on deferred payment or other similar basis upon such terms and conditions as the company may think fit and proper.

b. To provide finance for enlargement, repairs or improvement of any residential or commercial property or any part or portions thereof on such terms and conditions as the company may deem fit.

c. To provide the services in the nature of distribution channel of various loan products and enter into agreement with existing financial and other service providers, so as to provide a full suite of customized financial services to the customers including the origination of loan, processing the application, collection of loan instalment from customer etc.*

d. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.**

e. To undertake various consultancy services on fee, commission basis or otherwise such as fund arranger, consultancy/advisory in financial matters, software development, marketing, advertising and other promotional activities, market making, brand building exercise, online or otherwise, for the entities incorporated in or outside India and to undertake such other activities identical and/or incidental thereto. #

**Altered via special resolution passed in the extraordinary general meeting dated February 12, 2016.*
***Altered via special resolution passed in the extraordinary general meeting dated August 11, 2016.*
 # Altered vide special resolution passed by the members in the extraordinary general meeting dated September 28, 2020

Key Events, Milestones and Achievements of our Company

Year	Particulars
2006	IIFL Home Finance Limited. was established and brought into existence
2009	The organization has been officially bestowed with the Registration Certificate by the National Housing Bank

Year	Particulars
2016	Launch of Jhatpat – mobile application.
2018	Kutumb, a pioneering initiative, was inaugurated to provide environmentally sustainable and economically accessible housing solutions.
2018	Honored as the second-best performer under the Credit Linked Subsidy Scheme (CLSS) for Economically Weaker Sections (EWS) and Low-Income Groups (LIG) by the Ministry of Housing and Urban Affairs (MoHUA)-.
2021	Worked in collaboration with the Asian Development Bank (ADB)
2022	For the fourth consecutive year, the organization has achieved certification as “Great Place to Work,”
2023	The headquarters has achieved the prestigious Leed Gold Certification, signifying its commitment to sustainability and environmentally conscious design. For the fifth consecutive year, the organization has been distinguished as a certified “Great Place to Work
2024	For the sixth consecutive year, we have proudly achieved certification as a distinguished “Great Place to Work”

Key terms of Material Agreements and Material Contracts

Nil

Subsidiary Company

IIHFL Sales Limited is wholly owned subsidiary of IIFL Home Finance Limited which was incorporated on September 28, 2021. It has its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane, Thane, Maharashtra, India, 400604 with Corporate Identification No. U74999MH2021PLC368361.

Main objects of IIHFL Sales Limited

The main objects of IIHFL Sales Limited as contained in Memorandum of Association are:

1. To establish and carry on the business of rendering of professional/ consultancy services including sourcing, marketing, promoting, publicising, advertising, brand building, selling and distributing, servicing any kind of financial products or financial instruments or all classes of insurance products or investment products or wealth products, including but not limited to arranging/ helping to get loans for construction, purchase, repair and up-gradation of houses and other commercial properties, mortgage loans, vehicle loans, personal loans, commercial loans, infrastructure finance business loans, to any person or persons, financial institutions, banks, company or corporation, society or association of persons or any other entity, and to collect commission or fee for rendering such services.

2. To provide all kinds of advisory/consultancy services and fees based intermediation, syndication, liaisoning activities including but not limited to all kinds of real estate services, property advisory services to various clients from time to time including financial institutions, banks and other companies.

Associate Company

As on the date of this Shelf Prospectus, our Company has no associates. IIFL Samasta Microfinance Limited was our Associate Company till Financial year 2021-2022 and it ceased to be our associate in financial year 2022-2023.

Awards and Accolades

During the year 2024, the Company received the following awards and accolades:

1. Inkspell 8th DOD 2023 - Cross-Channel Marketing Campaign
2. LACP 2022/23 Vision Awards - Integrated Annual Report (2022-23)
3. Dun & Bradstreet BFSI Summit 2024 - India Leading Housing Finance Company
4. Frost and Sullivan's Project Evaluation & Recognition Program 2023 - Environment Leadership Category, Service Sector.
5. India Sustainability Conclave and Awards 2023 - Best Sustainable Initiate to Reduce Carbon Footprint
6. Stakes PR & Communications Excellence Awards 2023 - The Kutumb Initiative
7. UBS Forums Sustainability Summit and Awards 2023 - Sustainable Best Initiative of the year 2023 – Go Green and Sustainability Impact
8. The Corporate Titan Awards - Best Lending Tech of the Year Award
9. The Golden Globe Tigers Awards - Greenhouse Gas Emissions Project
10. Inkspell 7th Annual Drivers of Digital 2022 - Best Financial Innovation
11. 12th Edition of the Global Customer Engagement Forum and Awards - Successful Use of CSR Activity
12. 2nd Elets NBFC100 Leader of Excellence Awards - Outstanding Leader in Affordable Housing Finance
13. 3rd ESG Summit and Awards - Best ESG Performance in Financial Inclusion

During the year 2023, the Company received the following awards and accolades:

14. Leed Gold Certified – IIFL Home Loan Gurgaon head office
15. The Iconic Platinum Awards- Quick Loan Approval
16. LACP 2021/22 VISION Awards - Annual Report (2021-2022)
17. Great Place to Work Certified (2023-2024)
18. ET Ascent Business Leader of the Year - Best Use of Mobile Technology in Financial Services.
19. Inkspell India Content Leadership Award 2022- Sustainable and Green Housing under 'Kutumb' Initiative
20. ESG Summit and Awards 2022 - Best ESG Initiative to Improve Health and Well-Being
21. Best CSR Impact Award 2022 - UBS Forums
22. CSR Project of the Year 2022 - UBS Forums
23. PMAY Empowering India Awards 2022 - Certificate of Merit

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. It is governed by the Articles of Association of our Company and the relevant directions issued by the RBI.

The Articles of Association of our Company require us to have not less than 3 (three) and not more than 15 (fifteen) Directors.

As of the date of this Shelf Prospectus, we have ten Directors on the Board, out of which one Director is an Executive Director, one Director is Nominee Director, three Directors are Non- Executive Directors and five directors are independent directors, including one women director on the Board.

Details of Board of Directors as on the date of this Shelf Prospectus:

Name, designation, and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Other directorships
Monu Ratra **Designation**: Whole-time Director & CEO **DIN**: 07406284	51	E 194, The Icon DLF Phase V, Gurgaon, Haryana- 122009	Initial Date of Appointment (as Additional Director)- January 28, 2016 Date of Appointment (as Director)- February 12, 2016 Date of Re-appointment: January 28, 2021	NIL
Nirmal Bhanwarlal Jain **Designation**: Non-Executive Director **DIN**: 00010535	57	601, Shree Shyam Sadan, Plot No. 58, Hatkesh Society, NS Road No.7, JVPD Scheme, Near Jamnabai Narsee School, Juhu, Vileparle, West, Mumbai, Maharashtra – 400049	December 26, 2006	Domestic Companies: • IIFL Finance Limited • MNJ Consultants Private Limited • Pratham Education Foundation Foreign Companies: NIL
Venkataraman Rajamani **Designation**: Non-Executive Director **DIN**: 00011919	57	Jayshree 21, Laburnum Road, Next to Mani Bhavan, Gamdevi, Grant Road, Mumbai, Maharashtra - 400 007.	December 26, 2006	Domestic Companies: • IIFL Finance Limited • IIFL Capital Services Limited (formerly known as IIFL Securities Limited) • Orpheus Trading Private Limited • IIFL Samasta Finance Limited • IIFL Facilities Services Limited Foreign Companies: NIL
Mohua Mukherjee **Designation**: Independent Director	62	#515, 3rd A Cross, Opp 2nd Main, Opp Ganesha Temple, RMV, Extension, 2nd Stage, 3rd Block, Bangalore, North	August 26, 2021	Domestic Companies: • Maanaveeya Development & Finance Private Limited Foreign Companies:

Name, designation, and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Other directorships
DIN: 08714909		R.m.v. Extension li Stage, Bangalore, Karnataka-560094		• NIL
Srinivasan Sridhar **Designation**: Non – Executive Director **DIN**: 00004272	73	D-905, Ashok Towers, DR. S.S Rao Road, Parel Mumbai MH-400012	Initial Date of Appointment: October 01, 2013 Date of Re-appointment: April 01, 2024	Domestic Companies: • Shriram Housing Finance Limited • Go Fashion India Limited • Universal Trusteeship Services Limited • Universal Trustees Private Limited • GVFL Trustee Company Private Limited • BSE Administration & Supervision Limited • Strategic Research and Information Capital Services Private Limited • Evyavan Assets Management Limited • Paytm Payments Bank Limited • BNP Akone EVC Private Limited Foreign Companies: NIL
Kabir Mathur **Designation**: Nominee Director **DIN**: 08635072	45	Villa 13, Fairmont Villas, Al Kh St, Rabdan, Abu Dhabi, UAE	August 22, 2022	Domestic Companies: • Mphasis Limited • Aditya Birla Health Insurance Co. Limited Foreign Companies: • TCX Madrid Holdings Pte Limited • Upswing Trustee Company Limited • Gusto Cayman TopCo • UPL Corporation • Gusto Sing Topco Pte Limited • Gusto Cayman Co • TCX Madrid Holdco Pte Limited
Venkataramanan Anantharaman **Designation**: Independent Director **DIN**: 01223191	60	B2101 Lodha Bellissimo, N.M. Joshi Marg, Near Apollo Mills Compound, Mahalaxmi, Mumbai, MH- 400011	February 21, 2023	Domestic Companies: • The Indian Hotels Company Limited • Ecom Express Limited • Axis Asset Management Company Limited • Transunion CIBIL Limited Foreign Companies: • IHOCO BV, Netherlands
Mohan Sekhar **Designation**: Independent Director **DIN**: 00032093	62	102 Sobha Opal Apts, 39th Cross 18th Main, 4th T Block Jayanagar, Bangalore, Karnataka, 560041	June 30, 2024	NIL
Ramakrishnan Subramanian	56	Seawood, B/10-04, Hiranandani Apartments	April 01, 2024	Domestic Companies: • IIFL Finance Limited

Name, designation, and DIN	Age (in years)	Address	Date of Appointment/ Re-appointment	Other directorships
Designation: Independent Director **DIN**: 02192747		5/63 Old Mahabalipuram Road, Opposite Sipcot IT Park, Egattur, Chengalpattu, Kancheepuram, Tamil Nadu - 603103		• Neogrowth Credit Private Limited • IIFL Open Fintech Private Limited Foreign Companies: • Fincrest Management Advisors Pte Limited (Singapore)
Mathew Joseph **Designation**: Independent Director **DIN**: 01033802	63	Flat 1301, 13th Floor, Tower NO 7 One 74, Sathyadev Avenue Extension, MRC Nagar, Raja Annamalaipuram, Chennai, Tamil Nadu – 600028	October 31, 2023	Domestic Companies: • Tamil Nadu Urban Infrastructure Financial Services Limited • Tamil Nadu Urban Infrastructure Trustee Company Limited • Veritas Finance Limited (Formerly known as Veritas Finance Private Limited Foreign Companies: NIL

Brief profile of the Directors of our Company

Mohua Mukherjee

Mohua Mukherjee is a seasoned development economics professional with thirty years of international experience. She was among the youngest candidates ever selected for the globally competitive Young Professionals' Program of the World Bank in Washington DC. Her career at the World Bank included responsibility for designing and supervising World Bank investment projects, based on dialogue with Ministers and senior government officials in client countries. Mohua has led policy dialogue and formulated investment projects in 9 different sectors of the economy, in 44 countries on 4 continents, all pertaining to the UN's Millennium Development Goals and later the Sustainable Development Goals. She headed the Corporate Finance department first at Citibank and then at ABN AMRO Bank Nairobi, Kenya. Apart from this hands-on financial sector experience in Kenya, Mohua also has energy sector investment experience in 15 African countries, plus Nepal and Bangladesh and of course India as well. From 2014-2017, Mohua led the India Solar Energy Team of the World Bank, and she was responsible for managing a large team of professionals to complete the delivery of a US$1 billion solar program to the government of India. The blended finance Solar Rooftops project with the State Bank of India, which she designed from the start, brought the OPEX model to the Indian solar rooftop market. Apart from the solar energy sector, Mohua also has a great deal of experience in the Indian electricity distribution company sector. She has contributed to various World Bank publications and also has three solo-authored books, with the most recent one being (in 2014) on private participation in the Indian power sector. In 2017 she ended her long career in Washington and moved to Bangalore for family reasons. Following her relocation to India, Mohua worked pro-bono for 2 years at the International Solar Alliance, to support its initial establishment. She is currently a World Bank consultant and she is Advisor to the India Smart Grid Forum. Mohua has a Bachelor's and Master's Degree in Economics, with distinction, and a Master of Business Administration degree in International Finance, all from Boston University. She also has a certificate in Public Private Partnerships from the Harvard Kennedy School.

Venkataramanan Anantharaman

Venkataramanan Anantharaman has over 30 years of experience in the financial services sector in India and overseas, having led corporate and investment banking teams in several leading international banks. He was also a Senior Advisor to British International Investment (formerly CDC), the UK Government Development Finance Institution. He is currently Chairman of Transunion CIBIL, India's leading Credit Information Bureau and is on the Boards of The Indian Hotels Company Limited, Axis AMC and Ecom Express. He is an advisor to Lighthouse Funds, a leading consumer and healthcare focussed mid-market growth private equity firm. He brings strong Board level advisory experience across mergers & acquisitions, capital markets, risk management, HR and ESG. Anantharaman holds a BE in Metallurgy from Jadavpur University and a PGDBM from XLRI, Jamshedpur. He has also has an FT Non-Executive Director Diploma and an ESG Competent Boards Certificate and Designation (GCB.D).

Mohan Sekhar

Mohan Sekhar is a recognized C-level global IT Consulting & Services industry leader with over 30 years' experience in transforming both large and midsized organizations enabling market leading growth and profitability. He has led the rotation of business to Digital, transformed talent to new technologies and architected Innovation at scale, a first in the industry. He has served on the board of both publicly listed and privately held companies. From the past 3 years, he has been part of the startup ecosystem in advisory roles.

Ramakrishnan Subramanian

Ramakrishnan Subramanian is a Chartered Accountant, Cost Accountant and Master’s in Commerce. He has served several leading Banks, FIs in leadership roles since 1990 in India and abroad. He has 30 plus years of leadership experience in Banking and Strategic Consulting in India, Singapore, Hong Kong, Thailand, Vietnam, APAC markets with expertise in Board, Advisory & Consulting, CEO & Country Head roles, Business Head, Risk.

Mathew Joseph

Mathew Joseph has over 35 years’ experience with one of India’s largest housing finance Company and has been superannuated as Member of Executive Management and Chief Risk Officer. Apart from overseeing Risk, his expertise included both Retail and wholesale Financing and was a Member of Core Committees of the same corporation. He holds a bachelor’s degree in science from the Madras University and is a Member of the Institute of Chartered Accountants. He is a Director on the Boards of Tamil Nadu Urban Infrastructure Financial Services Limited, Tamil Nadu Urban Infrastructure Trustee Co Limited, Veritas Finance Private Limited and a Consultant with Mathew Joseph World Bank for their Affordable Housing Fund. He is also an advisor on Lok Capital, an Impact Fund.

Monu Ratra

Monu Ratra is a veteran in the mortgage industry with nearly two decades of experience. He has been associated with prominent entities such as HDFC Limited, ICICI Bank, and Samman Capital Limited. Prior to joining IIFL Home Finance Limited, he served as the National Business Manager at Samman Capital Limited.

Nirmal Bhanwarlal Jain

Nirmal Jain is an MBA from IIM, Ahmedabad, a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Lever Limited (HUL), the Indian arm of Unilever. He founded Probity Research and Services (later re-christened as India Infoline Limited) in 1995.

Venkataraman Rajamani

R. Venkataraman is a non-executive Director of our Company . He holds Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore, and a bachelor’s degree in Electronics and Electrical Communications Engineering from IIT Kharagpur. He has contributed immensely to the establishment of various businesses and spearheading key initiatives of the IIFL Group over the past 25 years. He previously held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with JP Morgan of US, and Barclays – BZW. He also worked with GE Capital Services India Limited in its private equity division. He has a varied experience of more than 32 years in the financial services sector.

Srinivasan Sridhar

Srinivasan Sridhar is an eminent personality in the Banking and Finance industry and has held several senior positions in retail, corporate and export/import banking in his career of almost 4 decades culminating as the Chairman of NHB and the Central Bank of India. In his stint as Chairman and Managing Director of the NHB, he was responsible for a number of new initiatives such as the NHB Residex, Rural Housing Fund, and Reverse Mortgage for senior citizens. Prior to this, he was associated with the Export Import Bank of India as Executive Director as well as the State Bank of India in the early part of his career.

Kabir Mathur

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

Relationship between Directors

As on the date of this Shelf Prospectus, none of our directors are related to each other.

Remuneration of Directors

Remuneration payable to the Directors by the Company:

The terms of remuneration of the Whole-time Director and CEO are as below:

The following sets forth Terms of Remuneration of Mr. Monu Ratra, CEO and Executive Director of our Company appointed with effect from January 28, 2016, pursuant to the resolution passed by the Board of Directors on January 28, 2016. His appointment was confirmed by the Shareholders pursuant to their resolution dated February 12, 2016, for a period of five years. The Board of Directors approved his re-appointment for a further period of 5 years in its meeting held on January 23, 2021, as his term expired on January 27, 2021. Further, the Members of the Company confirmed his re-appointment, w.e.f January 28, 2021, at their extra ordinary general meeting held on January 28, 2021. The following terms of remuneration has been approved by the Board of Directors at its meeting held on January 28, 2021 and the same was approved by the shareholders at their extra ordinary general meeting held on January 28, 2021.

(a) Basic salary of Rs 1.116667 million per month subject to change as may be proposed by the NRC/Board from time to time

(b) Housing/HRA: He shall be entitled to house rent allowance of 50% of basic salary.

(c) Leave Travel: Expenses for him and his family, once in a year subject to a maximum of one month's basic salary.

(d) Other benefits: In addition to the above, he will be entitled to claim reimbursement of expenses on account of residence telephones, cars, business promotion, entertainment, professional development and traveling, full re-imbursement of the education expenses of his children and other incidental expenses incurred in the normal course of the Company's business, full medical expenses incurred for self and his family, including premium for medical insurance or any other benefit as approved by the NRC. Other benefits will be subject to a maximum of Rs 1.02361 million per month.

(e) Increment: Board/NRC can determine the remuneration on an annual basis subject to increment not exceeding 25% p.a. of basic salary, allowances and perquisites.

(f) Performance Bonus: He shall be entitled to Performance bonus of 45 million.

(g) Commission: He shall be paid commission as permissible under the Companies Act, 2013 ("the Act") and as determined by the Board/NRC from time to time. In addition, he will be eligible for gratuity and superannuation and leave encashment as per the rules of the Company.

(h) Other terms:

i. He shall not be paid any sitting fees or any other salary for attending Meetings of the Board of Directors or Committees thereof.

ii. In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Monu Ratra as minimum remuneration, subject to provisions of the Act.

(i) Termination of Employment:

i. This employment shall be deemed to be terminated on the occurrence of death, on expiration of tenure, permanent disability or on resignation, the notice period will be as per the Company's Policy.

ii. In the event of termination for any of the reasons specified above, he or his Nominee(s) shall be entitled to receive as a lump sum severance payment, a sum equal to 5 times the annual salary including allowances and perquisites.

iii. The terms and conditions of the said appointment may be altered and varied from time to time by the Board/NRC as it may, in its discretion, deem fit.

iv. The overall remuneration payable every year to Mr. Monu Ratra is subject to the conditions that the total remuneration shall be within the permissible limits under Section 197 and Schedule V of the Act or any statutory modification(s) or re-enactment(s) thereof.

Particulars	Terms of remuneration
Period	5 Years (January 28, 2021 – January 27, 2026)
Remuneration	As stated below

Details of remuneration paid to the Executive Directors as per Ind AS – 24, related party transactions, during period ended September 30, 2024, and the Fiscals 2024, 2023 and 2022 by our Company:

(₹ in crores unless otherwise stated)

Name of Director	For the period ended September 30, 2024			For Fiscal 2024			For Fiscal 2023			For Fiscal 2022		
	Remunerations	**Short term benefits (including Perquisites)**	**Post employment benefits**	**Remunerations**	**Short term benefits (including Perquisites)**	**Post employment benefits**	**Remunerations**	**Short term benefits (including Perquisites)**	**Post employment benefits**	**Remunerations**	**Short term benefits (including Perquisites)**	**Post employment benefit**
Mr. Monu Ratra	1.59	29.40	0.01	6.39	11.11	0.02	4.64	3.40	0.01	4.93	0.00	0.02

Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon. For details on ESOP, please refer to section titled "Capital Structure" on page 67.

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees and Commission.

Our Company pays sitting fees to the Non-Executive Directors except Nominee Director, Nirmal Jain and Venkataraman Rajamani for attending the meetings of the Board and Committees thereof.

Details of remuneration paid to the Non-Executive Directors as per Ind AS – 24, related party transactions, during period ended September 30, 2024, and the Fiscals 2024, 2023 and 2022 by our Company:

(₹ in crores unless otherwise stated)

Name of Director	For the period ended September 30, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Commission to Directors	**Short term benefits - Sitting Fees to directors**	**Commission to directors***	**Short term benefits - Sitting Fees to directors**	**Commission to Directors**	**Short term benefits - Sitting Fees to directors**	**Commission to directors**	**Short term benefits - Sitting Fees to directors**
S Sridhar	0.26	0.06	Nil	Nil	Nil	Nil	Nil	Nil

**Srinivasan Sridhar's designation was changed from independent to non-executive director vide a Board resolution dated March 28, 2024 and the same was approved by the Shareholders on June 20, 2024.*

Remuneration of Independent Directors

The Independent Directors are paid remuneration by way of sitting fees and commission.

Our Company pays sitting fees per meeting to the Independent Directors for attending the meetings of the Board and Committees (excluding Corporate Social Responsibility Committee***)*** thereof, as under:

Particulars	Board		Committees	
	Chairman	**Members**	**Chairman**	**Members**
Full Board Meetings				
Physical / Electronic Participation	₹ 1,00,000	₹ 1,00,000	Audit Committee- ₹ 1,00,000 Other Committees- ₹ 30,000	Audit Committee- ₹ 1,00,000 Other Committees- ₹ 30,000
Shorter Notice/Special Purpose Meetings				
Physical / Electronic Participation	₹ 1,00,000	₹ 1,00,000	Audit Committee- ₹ 1,00,000 Other Committees- ₹ 30,000	Audit Committee- ₹ 1,00,000 Other Committees- ₹ 30,000

Details of compensation paid to the Independent Directors as per Ind AS – 24, related party transactions, during period ended September 30, 2024, and the Fiscals 2024, 2023 and 2022 by our Company:

(₹ in crores unless otherwise stated)

Name of Director	For the period ended September 30, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Commission to Directors	Short term benefits - Sitting Fees to directors	Commission to Directors *	Short term benefits - Sitting Fees to directors	Commission to directors	Short term benefits - Sitting Fees to directors	Commission to directors	Short term benefits - Sitting Fees to directors
Mohua Mukherjee	0.20	0.03	0.20	0.06	0.10	0.06	0.06	0.02
Venkataramanan Anantharaman	0.20	0.04	0.10	0.05	-	0.00	-	-
Mathew Joseph	0.14	0.05	0.04	0.02	-	-	-	-
Ramakrishnan Subramanian	-	0.03	-	-	-	-	-	-
Kranti Sinha (Note 1)	0.14	-	0.13	0.04	0.10	0.09	0.10	0.07
AK Purwar (Note 2)	-	-	-	0.04	-	0.06	-	0.03
Suvalaxmi Chakraborty (Note 3)	-	-	-	-	-	-	-	0.02
S Sridhar	-	-	0.24	0.12	0.12	0.11	0.12	0.08
Mohan Sekhar	-	0.01	-	-	-	-	-	-

Note 1: *Kranti Sinha has ceased to be affiliated with the Company pursuant to a resignation letter dated August 8, 2023.*
Note 2: *A.K. Purwar has ceased to be affiliated with the Company w.e.f. March 31, 2024 (close of business hours) due to completion of his tenure in the Holding Company pursuant to a Board Resolution dated March 28, 2024.*
Note 3: *Suvalaxmi Chakraborty has ceased to be affiliated with the Company pursuant to a resignation letter dated June 15, 2021.*

Remuneration payable to the Directors by the Subsidiary or Associate Company:

No remuneration has been paid to the Directors for the current financial year till September 30, 2024 and Fiscals 2024, 2023 and 2022 by our subsidiary and associates.

Other understandings and confirmations

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority and/or bank or financial institutions.

None of our Directors is, or was, a director or person in control of any company which has been or was delisted from any recognised stock exchange within a period of 10 (ten) years preceding the date of this Shelf Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

We also confirm that none of our Directors is restrained or prohibited or debarred from accessing the securities market or dealing in securities by the Board. Further, none of our Directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or, RBI are pending against any of our Directors.

No Director of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchanges at the time of filing the Draft Shelf Prospectus.

Borrowing Powers of the Board:

Pursuant to a special resolution passed by the shareholders of our Company on March 31,2023 in accordance with provisions of 180(1)(c) of the Companies Act, 2013 and other applicable provisions and rules made thereunder, the Board has been authorised to borrow, from time to time such sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) and securities premium account of the Company, provided that the total amount up to which monies may be borrowed by the Board of Directors shall not exceeding ₹ 35,000 Crores at any time.

The aggregate value of the NCDs offered under this Shelf Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as above-mentioned.

Interest of the Directors:

As on the date of the Shelf Prospectus, none of our Directors are interested in the promotion of the Company.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or Committee thereof, and a commission as may be paid with the approval of the shareholders of the Company.

All the directors of our Company, including Independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Shelf Prospectus, statutory registers maintained by our Company in this regard our Company has not entered into any contract, agreements or arrangements during the preceding 2 (two) years from the date of this Shelf Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. None of our Company's Directors have taken any loan from our Company.

As of the date of this Shelf Prospectus, except as disclosed in the Section "*Related Party Transactions*" on page 183 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody-corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors have not taken any loan from our Company.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company

No contribution has been made by the directors as part of the Issue or separately in furtherance of the Objects of the Issue.

None of our Directors' relatives have been appointed to an office or place of profit of our Company, its subsidiary or associate company.

Except as disclosed hereinabove and under the section titled *"Risk Factors"* on page 22, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 183 and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Shelf Prospectus with NSE and BSE nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company

No benefit/interest will accrue to our Promoters/Directors out of the objects of the issue.

Debenture / Subordinated Debt holding of Directors:

As on September 30, 2024, none of the Directors of our Company hold any debentures / subordinated debt issued by our Company.

Details of change in directors of our Company in the preceding 3 (three) financial years and current financial year:

Name of Director, Designation and DIN	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
Suvalaxmi Chakraborty **Designation**: Independent Director **DIN**: 00106054	August 1, 2018	NA	June 15, 2021	Resigned
Kranti Sinha **Designation**: Independent Director **DIN**: 00001643	October 01, 2013	NA	August 08 ,2023	Resigned
A.K. Purwar **Designation**: Independent Director **DIN**: 00026383	August 22, 2019	March 31, 2024 (closure of business hours)	NA	Due to completion of tenure as an Independent Director on the Board of IIFL Finance Limited (Holding Company)
S. Sridhar **Designation**: Chairman and Independent Director **DIN**: 00004272	October 01, 2013 – Appointed as Independent Director April 01, 2024 – Appointed as Non-Executive Director	NA	NA	The two terms as an Independent Director of five consecutive years each had expired on March 31, 2024 (w.e.f. close of business hour). - Appointed as the Chairman & Additional Director in the capacity of Non-Executive Director w.e.f. April 01, 2024. His appointment was approved by the shareholders as Non- Executive Director on June 20, 2024.
Mohua Mukherjee **Designation**: Independent Director **DIN**: 08714909	August 26, 2021	NA	NA	Appointed as an Additional Director and her appointment was approved by the shareholders on September 30, 2021.
Kabir Mathur **Designation**: Nominee Director **DIN**: 08635072	August 22, 2022	NA	NA	Appointed as Nominee Director on August 22, 2022.
Venkataramanan Anantharaman **Designation**: Independent Director **DIN**: 01223191	February 21, 2023	NA	NA	Appointed as an Additional Director and his appointment was approved by the shareholders on March 31, 2023.
Mathew Joseph **Designation**: Independent Director **DIN**: 01033802	October 31, 2023	NA	NA	Appointed as an Additional Director and his appointment was approved by the shareholders on January 30, 2024.
Ramakrishnan Subramanian **Designation**: Independent Director **DIN**: 02192747	April 01, 2024	-	-	Appointed as an Additional (Independent Director) and regularised on June 20, 2024 w.e.f. Date of Appointment i.e., April 01, 2024.
Mohan Sekhar **Designation**: Independent Director **DIN**: 00032093	June 30, 2024	-	-	Appointed as an Additional (Independent Director) w.e.f. June 30, 2024, and his appointment was approved by the shareholders in the EGM held on September 26, 2024.

Shareholding of the Directors as on September 30, 2024:

Except as disclosed below, no Directors holds securities in our Company as on September 30, 2024:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 10 each	Number of Stock Options Outstanding	% of total Equity Shares of our Company
1.	Monu Ratra, CEO & Executive Director DIN: 07406284	100*	2,68,822	Negligible

***** *In the capacity of nominee shareholder on behalf of IIFL Finance Limited.*

***Shareholding of Directors in Subsidiary or associate company, including details of qualification shares held by Directors as on the date of this Shelf Prospectus*:**

As on the date of this Shelf Prospectus, none of the Directors have shareholding in our Subsidiary company. We do not have any Associate Company as on date of this Shelf Prospectus.

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 10 each	Number of Stock Options Outstanding	% of total Equity Shares of our Company
1.	NIL			

Key Managerial Personnel of our Company:

Provided below are the details of the Key Managerial Personnel of our Company, other than our Chief Executive Officer & Whole Time Director, as of the date of this Shelf Prospectus.

Ajay Jaiswal, Company Secretary (appointed w.e.f. March 30, 2015)

With over 23 years of extensive experience in compliance and corporate governance, Ajay Jaiswal is a seasoned professional and a member of the Institute of Company Secretaries of India. Currently serving as the Company Secretary and Compliance Officer at IIFL Home Finance Limited. Before joining IIFL Home Finance Limited., Jaiswal held key leadership roles as Head of Compliance and Company Secretary at Edelweiss Housing Finance and Deutsche Postbank Home Finance. His career also includes significant positions as Company Secretary at Habitat Housing Finance Limited. and Marvel Vinyls.

Gaurav Seth, CFO (appointed w.e.f. October 17, 2023)

Gaurav Seth is a Chartered Accountant from the Institute of Chartered Accountants of India. He has 20+ years of diverse functional experience in partnering with business to find solutions and sustain growth in ever-changing markets. He is also an innovative and result-oriented business leader focused on achieving exceptional results in a highly competitive environment. In his last stint he was leading finance function as Chief Financial Officer of Airtel Payments Bank and was responsible for Treasury, capital plan, investment returns, pricing and profitability across products, business models & operations and he has also served as a CFO for Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited and worked with Aviva Life Insurance Company India Pvt. Limited., GE Capital among others.

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Interests of Key Managerial Personnel

Except to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment reimbursement of expenses incurred by them during the ordinary course of business and equity shares held by them along with vested ESOP options, the Key Managerial Personnel of the Company do not have any interest in the Company.

Compensation to Key Managerial Personnel

Details of remuneration paid to the Key Managerial Personnel as per Ind AS – 24, related party transactions, during period ended September 30, 2024, and the Fiscals 2024, 2023 and 2022 by our Company:

(₹ in crores unless otherwise stated)

Name of KMP	For the period ended September 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Monu Ratra	31.00	17.52	8.05	4.95
Ajay Jaiswal	1.76	1.59	1.52	-
Gaurav Seth	3.34	2.54	-	-
Amit Gupta	-	0.53	1.05	-

Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, post-employment benefit, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon. For ESOP related details, please refer to the section titled "Capital Structure" on page 67.

Equity Shares held by Key Managerial Personnel

As on September 30, 2024, the shareholding of our KMPs in our Company is as follows:

Name of KMP	Numbers of Shares held*	Employee Stock Options Outstanding	Percentage of Shareholding in %
Monu Ratra	100	2,68,822	Negligible
Ajay Jaiswal	100	11,260	Negligible
Gaurav Seth	100	26,882	Negligible

***** *In the capacity of nominee shareholder on behalf of IIFL Finance Limited.*

No benefit/interest will accrue to our Key Managerial Personnel out of the objects of the issue.

As on the date of this Shelf Prospectus, all of the Key Managerial Personnel of our Company are the permanent employees of our Company.

Senior Management Personnel of our Company

In addition to Monu Ratra, Ajay Jaiswal and Gaurav Seth, who are also designated as our Company's Key Managerial Personnel, whose details are provided in "*Our Management -Details of Board of Directors as on the date of this Shelf Prospectus*" and "*Our Management - Key Managerial Personnel of our Company*" on page 146 and 155, respectively, the details of the Senior Management Personnel, as on the date of this Shelf Prospectus, are set out below:

Names of our Senior Management Personnel

1. Mohit Kumar, National Credit Manager
2. Abhishikta Chadda Munjal, Chief Risk Officer
3. Iqbal Ahmad Farooqui, National Collection Manager
4. Amit Sengar, Zonal Sales Head
5. Manoj Kumar, Head Legal
6. Rachhit Gehanii, Chief Technology Officer
7. Lokesh Goyal, National Technical Manager
8. Rashmi Priya, Head HR
9. Madhvi Gupta, Head Marketing, CSR & ESG
10. Sagar Riaz, Special Projects Lead
11. Praveen Khullar, Zonal Sales Head
12. Kranth Namala, Zonal Sales Head
13. Rohit Guglani, Head- Data Science
14. Amanpreet Singh Arora, National Business Manager – CF
15. Richa Bharadwaj, Chief Compliance Officer
16. Anjali Chaddha, Head - Operations

Interest of Senior Management Personnel

Except as stated below, none of our Senior Management Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.
- Except as stated below, Senior Management Personnel are not interested in the Company**:**
    - To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.
    - To the extent of debentures of our Company held by them or to be subscribed by them in this Issue and to the extent of any interest/redemption procees paid/payable to him and other distributions in respect of the said debentures.

- Except for the letter of appointment issued to our Senior Management Personnel as an employee of the Company**,** our Company has not entered into any contracts or arrangement with the Senior Management Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.
- No benefit/interest will accrue to our Senior Management Personnel out of the objects of the issue.

Relationship with other Senior Management Personnel

None of our Senior Management Personnel are related to each other.

Shareholding of our Company's Senior Management Personnel

As on September 30, 2024, the details of the shareholding of the SMP of the Company in the capacity of nominee shareholder on behalf of IIFL Finance Limited have been set out below.

Sr. No.	Name of SMPs	Designation	No. of shares held	Total shareholding as % of total no. of Equity Shares
1.	Ajay Jaiswal	Company Secretary	100	Negligible
2.	Gaurav Seth	Chief Financial Officer	100	Negligible
3.	Monu Ratra	CEO	100	Negligible
4.	Abhishikta Chadda Munjal	Chief Risk Officer	100	Negligible

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

Details of various Committees of the Board:

1. Audit Committee:

The Audit Committee was last reconstituted w.e.f. November 21, 2024 vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Mathew Joseph	Chairman	Independent Director
Venkataramanan Anantharaman	Member	Independent Director
Kabir Mathur	Member	Nominee Director
Ramakrishnan Subramanian	Member	Independent Director

The Audit Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Audit Committee also reviews performance of the joint statutory auditors, the Internal Auditors, adequacy of the internal control system and Whistle-blower mechanism.

The broad terms of reference of the Audit Committee are:

i. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
ii. recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors.
iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
    - changes, if any, in accounting policies and practices and reasons for the same.
    - major accounting entries involving estimates based on the exercise of judgment by management.
    - significant adjustments made in the financial statements arising out of audit findings.
    - compliance with listing and other legal requirements relating to financial statements.
    - disclosure of any related party transactions.
    - modified opinion(s) in the draft audit report.

v. reviewing, with the management, the quarterly financial statements before submission to the board for approval.

vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
vii. review and monitor the auditor's independence and performance, and effectiveness of audit process.
viii. approval or any subsequent modification of transactions of the Company with related parties.
ix. scrutiny of inter-corporate loans and investments.
x. valuation of undertakings or assets of the listed entity, wherever it is necessary.
xi. evaluation of internal financial controls and risk management systems.
xii. reviewing, with the management, performance of statutory and internal auditors,adequacy of the internal control systems;
xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
xiv. discussion with internal auditors of any significant findings and follow up thereon.
xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
xvii. to look into the reasons for substantial defaults in the payment debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
xviii. to review the functioning of the whistle blower mechanism.
xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
xx. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
xxi. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders, if any.
xxii. management discussion and analysis of financial condition and results of operations.
xxiii. management letters / letters of internal control weaknesses issued by the statutory auditors.
xxiv. internal audit reports relating to internal control weaknesses.
xxv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
xxvi. statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 52 of (Listing Obligation and Disclosure Requirements) Regulations, 2015.
xxvii. The Audit Committee have such powers and it performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by Securities and Exchange Board of India, National Housing Bank/Reserve Bank of India and other regulators from time to time.
xxviii. ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced. The Information System Audit as prescribed shall be carried out separately through a Certified Information System Auditor (CISA).

2. Asset Liability Management Committee:

The Asset Liability Management Committee was last reconstituted w.e.f. November 21, 2024 vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Monu Ratra	Chairman	Executive Director & CEO
Kabir Mathur	Member	Nominee Director
S Sridhar	Member	Non- Executive Director
Mohua Mukherjee	Member	Independent Director
R Venkataraman	Member	Non- Executive Director
Abhishikta Munjal	Member	Chief Risk Officer

Name	Designation on Committee	Designation
Sumit Jhunjhunwala	Member	Treasury Head
Gaurav Seth	Member	Chief Financial Officer
Mohit Kumar	Member	National Credit Manager

Liquidity risk management should include decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches.;

i. Management of market risks;
ii. Funding and capital planning;
iii. Profit planning and growth projection; and
iv. Forecasting and analysing 'what if scenario' and preparation of contingency plans.

3. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was last reconstituted w.e.f. November 21, 2024, vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Venkataramanan Anantharaman	Chairman	Independent Director
Mohua Mukherjee	Member	Independent Director
Kabir Mathur	Member	Nominee Director
Mathew Joseph	Member	Independent Director

The broad terms of reference of the Nomination and Remuneration Committee are:

i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
   For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a. use the services of an external agencies, if required.
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.
ii. formulation of criteria for evaluation of performance of independent directors and the board of directors.
iii. devising a policy on diversity of board of directors.
iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
vi. recommend to the Board all remuneration, in whatever form, payable to senior management.
vii. recommend a policy to the Board relating to the remuneration for the directors, key managerial personnel and other employees.
viii. ensure that compensation levels are supported by the need to retain the earnings of the company and the need to maintain adequate capital based on ICAAP.
ix. ensure 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
x. The Nomination and Remuneration Committee have such powers and it performs such functions as may be required under the Companies Act, 2013 and such other applicable Regulations as may be notified by Securities and Exchange Board of India, National Housing Bank/Reserve Bank of India and other regulators from time-to-time.

4. Stakeholder's Relationship Committee:

The Stakeholders' Relationship Committee was last reconstituted w.e.f. November 21, 2024 vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Mohua Mukherjee	Chairperson	Independent Director
R Venkataraman	Member	Non-Executive Director

Name	Designation on Committee	Designation
Mohan Sekhar	Member	Independent Director
Monu Ratra	Member	Executive Director & CEO

The broad terms of reference of the Stakeholder's Relationship Committee are:

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
ii. Review of measures taken for effective exercise of voting rights by shareholders.
iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends/interest and ensuring timely receipt of dividend/interest warrants/annual reports/statutory notices by the shareholders of the company.

5. Risk Management Committee:

The Risk Management Committee was last reconstituted w.e.f. November 21, 2024, vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Mathew Joseph	Chairman	Independent Director
Monu Ratra	Member	Executive Director & CEO
S. Sridhar	Member	Non-Executive Director
Ramakrishnan Subramanian	Member	Independent Director
Mohan Sekhar	Member	Independent Director
R Venkataraman	Member	Non-Executive Director
Kabir Mathur	Member	Nominee Director

The scope of the Risk Management Committee includes the references made under the SEBI Listing Regulations, and the RBI Regulations.

The broad terms of reference of the Risk Management Committee are:

i. To identify the various types of risks involved in the business, both financial and non-financial risk, internal and external, operational, liquidity, sustainability and ESG related risk.
ii. To define the methodology to measure / quantify the risks,
iii. To control and mitigate the variety of risks involved in business,
iv. To specify the risk tolerance of the Company,
v. To ensure regulatory and statutory compliance on risk management and
vi. prudential norms,
vii. To improve the assets quality of the Company by using risk management tools,
viii. To maximize the profit of the Company,
ix. To maximize the return on equity with an acceptable level of risk, for the purpose of protecting, preserving and increasing the net worth of the Company.
x. To ensure business continuity and to avoid accidents and disasters. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
xi. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
xii. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
xiii. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity
xiv. To strengthen internal control and prevent unauthorized and improper access to Data, thereby ensuring the appropriate protection of information assets i.e. risk related to cyber security.
xv. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
xvi. Records regarding to Monitor and Control of Outsourced Activities shall be updated promptly and half yearly reviews shall be placed before Risk Management Committee and further to the Board.
xvii. To formulate/ review a detailed risk management policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber

security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

6. IT Strategy Committee:

The IT Strategy Committee was last reconstituted w.e.f. November 21, 2024 vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Mohan Sekhar	Chairman	Independent Director
Ramakrishnan Subramanian	Member	Independent Director
S Sridhar	Member	Non-Executive Director
Monu Ratra	Member	Executive Director & CEO
Kabir Mathur	Member	Nominee Director

The broad terms of reference of the IT Strategy Committee include:

i. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place

ii. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business

iii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable

iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources

v. Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls

vi. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the RE towards accomplishment of its business objectives;

vii. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;

viii. Ensure that the RE has put in place processes for assessing and managing IT and cybersecurity risks;

ix. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and

x. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the RE.

7. CSR & Sustainability Committee:

The CSR & Sustainability Committee was constituted w.e.f. November 21, 2024 vide a resolution passed on November 21, 2024 as a result of merger of CSR Committee and ESG Committee. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Mohua Mukherjee	Chairperson	Independent Director
Mathew Joseph	Member	Independent Director
Monu Ratra	Member	Executive Director & CEO
R Venkataraman	Member	Non-Executive Director
Mohan Sekhar	Member	Independent Director

The broad terms of reference of the CSR & Sustainability Committee includes:

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

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

iii. Receive reports and review activities from executive and specialist groups managing CSR matters across the Company's operations; and consider and propose an annual budget for CSR activities to the Board.

iv. To set general ESG strategies keeping in mind the Company's commitments.

v. To ensure that the company's ESG strategy is integrated into its business plan by developing and implementing initiatives and policies based on that strategy,

vi. To monitor the integrity and quality of the company's ESG strategy, ensuring that it serves to foster a culture of responsibility and transparency.
vii. To provide oversight on behalf of and to the Board in relation to IIFL HFC's ESG strategy and activities.
viii. To oversee communications with employees, investors, and stakeholders with respect to ESG Strategy and related matters
ix. To review and approve IIFL HFL's impact reports to be issued from time to time.
x. To review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on IIFL HFL's annual Sustainability Report.
xi. Any other incidental and ancillary matters pertaining to ESG Strategy and Programme of the Company.

8. *Finance Committee:*

As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Monu Ratra	Member	Executive Director & CEO
R Venkataraman	Member	Non- Executive Director

The broad terms of reference of the Finance Committee includes:

i. To determine and approve timing, nature, type, pricing and such other terms and conditions of the issue of Debenture including coupon rate, minimum subscription, retention of oversubscription, if any and early redemption thereof;
ii. To borrow funds for meeting short term requirement of funds of the Company by issuing Commercial Papers.
iii. To buyback Commercial Papers;
iv. To invest funds of the Company from time to time in equity shares, preference shares, debt securities, bonds, whether listed or unlisted, secured or unsecured, fixed deposits, units of mutual fund, security receipts, securities, etc taking into consideration all investment parameters subject to such amount and limits as provided in the Investment policy of the Company and any amount above this said amount shall require the approval of Board at its Board Meeting;
v. To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc from time to time;
vi. To enter into derivative transactions viz. Generic and/ or Structured derivative transactions on behalf of the Company subject to condition that structured derivative shall not have any naked position;
vii. To enter into security trustee Agreement for bank borrowing;
viii. To enter into securitization/assignment transaction/s in the name of Company in terms of extant Guidelines on Securitization;
ix. Opening, closing and operations of various bank accounts from time to time;
x. To avail various value added services from the Banks for operation of account(s) held with the Banks including but not limited to cash management services, internet banking, operations of accounts by fax or such other mode as may be feasible from time to time;
xi. To approve and make changes to the Draft Shelf Prospectus, to approve the final Shelf Prospectus and respective Tranche Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
xii. To all other matters relating to the issue of debentures and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient, extension of Issue and/or early closure of the Issue.
xiii. To borrow funds for and behalf of the Company up to maximum amount as determined by the Board of Directors of the Company from time to time and to create mortgage, charge, hypothecation or any other security on the assets/receivables, present or future of the Company in connection with borrowing availed/to be availed by the Company.
xiv. To authorize various persons from time to time for various operational purposes including signing of master loan agreements, loan documents, subscription agreement, escrow agreements, security documents, term sheets, non-disclosure agreement, other agreements, sanction letter, power of attorney, plaints, notices, applications, documents, submissions, instructions, etc;
xv. To authorize various persons from time to time to sanction loans under various financial products and matters pertaining to credit, risk, release of collateral, sale of collateral, signing and execution of loan document, etc;
xvi. To authorize various persons from time to time to sign the Vakalatnamas, Plaints, Applications, Replies, Written Statements, Affidavits and other paper/documents in the legal proceedings, appeals etc filed by the Company or against the Company and to appear before the Court, Tribunal and other Judicial/Quasi-Judicial bodies, Local Authority and other Government Authorities;

xvii. To avail guarantee from companies, body corporates and any person from time to time in connection with a loan, financial assistance, etc availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc;

xviii. To avail security from Companies, body corporates and any person from time to time to be provided as collateral/security in connection with a loan, financial assistance, etc availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc;

xix. To offer assurances on behalf of other Companies, body corporates and any person from time to time, in the form of guarantee, security, undertakings, letters (including without limitation, letter of comfort), deeds, declarations or any other instruments in connection with loan availed by them from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc upto such limit, if applicable, as delegated / decided by the Board from time to time;

xx. To authorize various persons from time to time to sign and execute applications, documents and agreements related to lease, rent, telephone connection, electricity connection, shops and establishment license, trade license, road permit and Internet and broadband connection, opening of new branches and other operational matters in the ordinary course of business of the Company or incidental or in connection thereto.

xxi. To authorize various persons from time to time to act as a representative of the Company in respect of a) the investments in shares, securities, debentures, instruments, etc held by the Company and b) companies to which Company is a creditor and to do the following:-

   a. To attend the general meetings & meetings of the creditors;
   b. To sign proxy form, postal ballot form, shorter consent notice, consent for dispensation from holding meeting in case of Merger and Amalgamation and other documents;
   c. To exchange correspondence & communication with the Investee companies, companies to which the Company is a creditor;
   d. Approving the request of transfer and transmission of securities of the Company; and
   e. Approving the request for issue of duplicate Security certificate, split Security certificates, etc.

xxii. To do all such acts, deeds and things which the Board is empowered to do as per Section 42 of the Companies Act, 2013 read with rules framed thereunder, as may be necessary or expedient, from time to time.

xxiii. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of Issue and/or early closure of the Issue.

xxiv. To authorize various persons from time to time under Income Tax Act, Goods and Services Tax and other taxation laws.

xxv. To authorize various persons from time to time to sign and execute various agreements, papers, documents, undertakings, letters, memorandum of understanding, applications, statements, submissions, etc including any modification of the above, and other necessary documents, for and on behalf of the Company, as may be required in the ordinary course of business of the Company.

9. Special Committee of the Board for Monitoring and follow-up of cases of fraud

The Special Committee of the Board for Monitoring and follow-up of cases of fraud was constituted vide a resolution passed by the Board on July 29, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Monu Ratra	Member	Executive Director & CEO
Abhishikta Munjal	Member	Chief Risk Officer
Richa Bhardwaj	Member	Compliance Officer
Mohit Kumar	Member	National Credit Manager
Manoj Kumar	Member	Head Legal
Lokesh Goyal	Member	National Technical Manager
Iqbal Ahmad Farooqui	Member	National Collection Manager
Deepak Aggarwal	Member	Lead Risk

The broad terms of reference of the The Special Committee of the Board for Monitoring and follow-up of cases of fraud includes:

i. SCBMF shall oversee the effectiveness of the fraud risk management in the Company.

ii. SCBMF shall review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimizing the incidence of frauds.

iii. To perform such other roles and responsibilities as may be required under the Master Directions on Fraud Risk Management on Non-Banking Financial Companies dated July 15, 2024 issued by RBI.

10. Wilful Defaulter – Review Committee

Pursuant to the requirement of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Guidelines on Wilful Defaulters and due to internal re-construction , the Wilful Defaulter Review Committee was last reconstituted w.e.f. November 21, 2024 vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of :

Name	Designation on Committee	Designation
Monu Ratra	Chairperson	Executive Director & CEO
Ramakrishnan Subramanian	Member	Independent Director
Mathew Joseph	Member	Independent Director
Abhishikta Chadda Munjal	Member	Chief Risk Officer
Gaurav Seth	Member	Chief Financial Officer

The broad terms of reference of the Wilful Defaulter- Review Committee includes:

(i) The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee.
(ii) The Review Committee shall, after assessing the facts or material on record, including written representation, if any, consider the proposal of the Identification Committee and passes its order.
(iii) The Review Committee shall pass a reasoned order and the same shall be communicated to the Wilful defaulter.

11. Wilful Defaulter – Identification Committee

Pursuant to the requirement of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Guidelines on Wilful Defaulters and due to internal functional alignment ***the Wilful Defaulter Identification Committee was*** last reconstituted w.e.f. November 21, 2024 vide a resolution passed dated November 21, 2024. As on the date of this Shelf Prospectus, it comprises of:

Name	Designation on Committee	Designation
Mohit Kumar	Chairperson	National Credit Manager
Manoj Kumar	Member	Head- Legal
Iqbal Ahmad Farooqui	Member	National Collection Manager
Vineet Girdhar	Member	Head - Internal Audit
Deepak Aggarwal	Member	Lead - Business Risk

The broad terms of reference of the Wilful Defaulter- Identification Committee includes:

(i) The Identification Committee must examine the evidence of Wilful Default.

(ii) The Identification Committee shall make a proposal to the Review Committee for classification as a Wilful defaulter along with the reasons in writing.

OUR PROMOTER

The Promoter of our Company is IIFL Finance Limited.

Details of our Promoter are set out below:

Registered office:	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane 400604, Maharashtra, India.
Date of Incorporation:	October 18, 1995
Place of registration:	Registrar of Companies, Maharashtra at Mumbai
CIN:	L67100MH1995PLC093797
Legal Entity Identifier:	335800CZ46UJRS34JR78

As on September 30, 2024, our Promoters collectively with other Promoter Group and persons acting in concert hold 20,968,181 Equity Shares equivalent to 79.59% of the Equity Share capital of our Company (including 500 shares held by 5 shareholders as nominee of our Promoter).

Profile of our Promoter

Our Promoter was incorporated at Mumbai on October 18, 1995, as a private limited company with the name Probity Research & Services Private Limited under the provisions of the Companies Act, 1956. The status of our Promoter was changed to a public limited company and the name was changed to Probity Research & Services Limited pursuant to a fresh certificate of incorporation dated on April 28, 2000, issued by the Registrar of Companies, Maharashtra, Mumbai. The name of our Promoter was subsequently changed to India Infoline.Com Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on May 23, 2000. The name of our Promoter was further changed to India Infoline Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai on March 23, 2001. Thereafter, the name of our Promoter was changed to IIFL Holdings Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on February 18, 2014. Thereafter, the name of our Promoter was changed to IIFL Finance Limited and a fresh certificate of incorporation, consequent upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai on May 24, 2019. Our Promoter has obtained a Certificate of Registration dated March 06, 2020, bearing Registration No. N-13.02386 issued by the Reserve Bank of India ("**RBI**") to commence the business of a non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. Our Promoter is a Non- Banking Finance Company ("**NBFC**") - Middle Layer. Permanent Accountant Number of our Promoter is AABCI0745G. Legal Entity Identifier of our Promoter is 335800CZ46UJRS34JR78.

The equity shares of our Promoter are currently listed on BSE and NSE.

Our Promoter is a NBFC- Middle Layer ("**NBFC-ML**") registered with the RBI, catering to the credit requirements of a diverse customer base with its plethora of products. Its offerings include home loans, gold loans, loans against property and medium and small enterprise financing, micro finance, construction and real estate finance and capital market finance; catering to both retail and corporate clients.

Our Company confirms that the Permanent Account Number and Bank account number of the Promoter and Permanent Account Number of Directors have been submitted to the Stock Exchanges at the time of filing this Shelf Prospectus.

Details of Board of Directors of our Promoter

Sr. No.	Name of Directors	DIN	Designation
1.	Arun Kumar Purwar	00026383	Chairman & Non-Executive Director
2.	Nirmal Bhanwarlal Jain	00010535	Managing Director
3.	R Venkataraman	00011919	Joint Managing Director
4.	Ramakrishnan Subramanian	02192747	Independent Director
5.	Gopalakrishnan Soundarajan	05242795	Non -Executive Director
6.	Tritala Subramanian Ramakrishnan	09515616	Non-Executive Nominee Director
7.	Bijou Kurien	01802995	Independent Director
8.	Nihar Niranjan Jambusaria	01808733	Independent Director
9.	Nirma Anil Bhandari	02212973	Additional Independent Director

Interest of our Promoter

Except as stated under related party transactions in the section "*Related Party Transactions*" on page 183 and to the extent of its shareholding in our Company, our Promoter does not have any other interest in our Company's business. Accordingly, our Promoter are also interested to the extent that they are eligible for dividend that may be declared by our

Company. Our Promoter does not have any interest in any transaction relating to property completed by our Company within the two years preceding the date of filing of this Shelf Prospectus, or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery. Our Promoter does not intend to subscribe to this Issue.

Our Promoter has no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoter or members of Promoter Group out of the Objects of the Issue.

Payment of benefit to the Promoter in last three years

Other than as disclosed under the section *"Related Party Transactions"* on page 183 and other than the dividend declared and paid by our Company, the Company has not made payments of any benefits to the Promoter during the last three years preceding the date of this Shelf Prospectus.

Details of shares pledged or encumbered by our Promoter

No shares have been pledged or encumbered by our Promoter as of the date of this Shelf Prospectus.

Other understandings and confirmations

Our Promoter has not been identified as Wilful Defaulter by any financial institution or bank or a consortium thereof in accordance with the guidelines on identification of Wilful Defaulters prescribed by the RBI.

No violations of securities laws have been committed by our Promoter in the past or no proceedings are currently pending against them.

Our Promoter is not a promoter or a whole-time director of another company that is a wilful defaulter.

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad. Further, our Promoter is a not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

None of the member forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Our Promoter is not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoter is not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoter has not been declared as fugitive economic offender.

Our Promoter and members of Promoter Group are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad and are not promoter, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

No benefit or interest will accrue to our Promoter out of the Objects of the Issue.

Details of Promoter's shareholding in our Company as on September 30, 2024

Name of Promoter	Total Number of Equity Shares held (including shares held by Nominee of Promoter)	Number of Equity Shares in demat form (including shares held by Nominee of Promoter)	Total shareholding as a percentage of total number of Equity Shares	Number of Equity Shares pledged	Percentage of Equity Shares pledged with respect to shares owned
IIFL Finance Limited	20,968,181	20,968,181	79.59%	Nil	Not applicable

Shareholding of our Promoter as on September 30, 2024

Table I - Summary Statement holding of specified securities

Category	Category & Name of the Shareholder	No of Share holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Share holding as a % of total no. of shares (calculated as per SCRR	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in Dematerialized form
								No of Voting Rights			Total No of Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class X	Class Y	Total								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**				**(X)**	**(XI)**	**(XII)**		**(XIII)**		**(XIV)**
A	Promoter & Promoter Group	8	10,56,74,667	-	-	10,56,74,667	25	10,56,74,667	-	10,56,74,667	25	-	25	-	-	-	-	10,56,74,667
B	Public	1,58,125	31,85,67,550	-	-	31,85,67,550	75	31,85,67,550	-	31,85,67,550	75	-	75	-	-	NA	NA	31,83,27,520
C	Non Promoter-Non Public				-				-			-			-	NA	NA	
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
	Total	1,58,133	42,42,42,217	-	-	42,42,42,217	100	42,42,42,217	-	42,42,42,217	100	-	100	-	-	-	-	42,40,02,187

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)		(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Indian**																		
(a)	**Individuals / Hindu Undivided Family**		6	10,05,98,108	-	-	10,05,98,108	23.71	10,05,98,108	-	10,05,98,108	23.71	-	-	-	23.71	-	-	-
	Nirmal Bhanwarlal Jain	Promoters	1	5,34,40,570	-	-	5,34,40,570	12.60	5,34,40,570	-	5,34,40,570	12.60	-	-	-	12.60	-	-	-
	Madhu N Jain	Promoters	1	1,35,22,764	-	-	1,35,22,764	3.19	1,35,22,764	-	1,35,22,764	3.19	-	-	-	3.19	-	-	-
	Venkataraman Rajamani	Promoters	1	1,23,01,441	-	-	1,23,01,441	2.90	1,23,01,441	-	1,23,01,441	2.90	-	-	-	2.90	-	-	-
	Mansukhlal Jain and Pritesh Ashwin Mehta	Promoters	1	1,11,11,111	-	-	1,11,11,111	2.62	1,11,11,111	-	1,11,11,111	2.62	-	-	-	2.62	-	-	-

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(Trustees of Nirmal Madhu Family Private Trust)																		
	Aditi Avinash Athavankar (Trustee of Kalki Family Private Trust)	Promoters	1	1,00,00,000	-	-	1,00,00,000	2.36	1,00,00,000	-	1,00,00,000	2.36	-	-	-	2.36	-	-	-
	Aditi Athavankar	Promoters	1	2,22,222	-	-	2,22,222	0.05	2,22,222	-	2,22,222	0.05	-	-	-	0.05	-	-	-
(b)	**Central Government / State Government(s)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	**Financial Institutions / Banks**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Any Other (Specify)**		2	50,76,559	-	-	50,76,559	1.20	50,76,559	-	50,76,559	1.20	-	-	-	1.20	-	-	-

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	Persons Acting In Concert		2	50,76,559	-	-	50,76,559	1.20	50,76,559	-	50,76,559	1.20	-	-	-	1.20	-	-	-
	Ardent Impex Pvt Limited	Promoter Group	1	36,32,115	-	-	36,32,115	0.86	36,32,115	-	36,32,115	0.86	-	-	-	0.86	-	-	-
	Orpheus Trading Pvt Limited	Promoter Group	1	14,44,444	-	-	14,44,444	0.34	14,44,444	-	14,44,444	0.34	-	-	-	0.34	-	-	-
	Sub Total (A)(1)		8	10,56,74,667	-	-	10,56,74,667	24.91	10,56,74,667	-	10,56,74,667	24.91	-	-	-	24.91	-	-	-
2	**Foreign**																		
(a)	**Individuals (Non-Resident Individuals / Foreign Individuals)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	**Government**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	**Institutions**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities: No of Voting Rights: Class eg: X	Class eg: y	Total	Total as a % of Total Voting Rights	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares: No. (a)	As a % of total Shares held(b)	Number of Shares pledged or otherwise encumbered: No. (a)	As a % of total Shares held(b)	Number of equity shares held in dematerialised form
(d)	**Foreign Portfolio Investor**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	**Any Other (Specify)**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		8	10,56,74,667	-	-	10,56,74,667	24.91	10,56,74,667	-	10,56,74,667	24.91	-	-	-	24.91	-	-	-

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	(XV)		
1	**Institutions (Domestic)**																				
(a)	**Mutual Fund**	19	1,04,44,036	-	-	1,04,44,036	2.46	1,04,44,036	-	1,04,44,036	2.46	-	-	-	-	-	-	N.A.	N.A.	1,04,44,036	-
	Dsp Midcap Fund	1	53,20,882	-	-	53,20,882	1.25	53,20,882	-	53,20,882	1.25	-	-	-	-	-	-	N.A.	N.A.	53,20,882	-
	Hsbc Small Cap Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(b)	**Venture Capital Funds**	20	85,97,948	-	-	85,97,948	2.03	85,97,948	-	85,97,948	2.03	-	-	-	-	-	-	N.A.	N.A.	85,97,948	-
(c)	**Alternate Investment Funds**	2	307	-	-	307	0.00	307	-	307	0.00	-	-	-	-	-	-	N.A.	N.A.	307	-
(d)	**Banks**	3	74,49,912	-	-	74,49,912	1.76	74,49,912	-	74,49,912	1.76	-	-	-	-	-	-	N.A.	N.A.	74,49,912	-
(e)	**Insurance Companies**	1	68,22,222	-	-	68,22,222	1.61	68,22,222	-	68,22,222	1.61	-	-	-	-	-	-	N.A.	N.A.	68,22,222	

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
	Sbi Life Insurance Co. Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(f)	**Provident Funds/ Pension Funds**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(G)	**Asset Reconstruction Companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(h)	**Sovereign Wealth Funds**	2	1,500	-	-	1,500	0.00	1,500	-	1,500	0.00	-	-	-	-	-	-	N.A.	N.A.	1,500	-
(i)	**NBFCs registered with RBI**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(j)	**Other Financial Institutions**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(k)	**Any Other (Specify)**	46	2,64,93,703	-	-	2,64,93,703	6.24	2,64,93,703	-	2,64,93,703	6.24	-	-	-	-	-	-	N.A.	N.A.	2,64,93,703	-
	Sub Total (B)(1)																				
2	**Institutions (Foreign)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(a)	**Foreign Direct Investment**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(b)	**Foreign Venture Capital Investors**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(c)	**Sovereign Wealth Funds**	130	10,65,42,848	-	-	10,65,42,848	25.11	10,65,42,848	-	10,65,42,848	25.11	-	-	-	-	-	-	N.A.	N.A.	10,65,42,848	-
(d)	**Foreign Portfolio Investors Category I**	1	2,70,04,301	-	-	2,70,04,301	6.37	2,70,04,301	-	2,70,04,301	6.37	-	-	-	-	-	-	N.A.	N.A.	2,70,04,301	
	Smallcap World Fund, Inc	1	92,48,492	-	-	92,48,492	2.18	92,48,492	-	92,48,492	2.18	-	-	-	-	-	-	N.A.	N.A.	92,48,492	
	Wf Asian Reconnaissance Fund Limited	1	65,13,280	-	-	65,13,280	1.54	65,13,280	-	65,13,280	1.54	-	-	-	-	-	-	N.A.	N.A.	65,13,280	
	Nomura India Investment Fund Mother Fund	1	58,13,274	-	-	58,13,274	1.37	58,13,274	-	58,13,274	1.37	-	-	-	-	-	-	N.A.	N.A.	58,13,274	
	Vanguard Total International Stock Index Fund	1	45,50,487	-	-	45,50,487	1.07	45,50,487	-	45,50,487	1.07	-	-	-	-	-	-	N.A.	N.A.	45,50,487	
	Nomura Funds Ireland Public Limited Company-Nomura Funds Ireland - India Equity Fund	1	44,52,759	-	-	44,52,759	1.05	44,52,759	-	44,52,759	1.05	-	-	-	-	-	-	N.A.	N.A.	44,52,759	

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
	Government Pension Fund Global	13	1,92,21,750	-	-	1,92,21,750	4.53	1,92,21,750	-	1,92,21,750	4.53	-	-	-	-	-	-	N.A.	N.A.	1,92,21,750	-
	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	1	1,39,98,024	-	-	1,39,98,024	3.30	1,39,98,024	-	1,39,98,024	3.30	-	-	-	-	-	-	N.A.	N.A.	1,39,98,024	
(e)	**Foreign Portfolio Investors Category II**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
	Bank Muscat India Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(f)	**Overseas Depositories(holding DRs) (balancing figure)**	143	12,57,64,598	-	-	12,57,64,598	29.64	12,57,64,598	-	12,57,64,598	29.64	-	-	-	-	-	-	N.A.	N.A.	12,57,64,598	-
(g)	**Any Other (Specify)**																				
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
3	**Central Government/ State Government(s)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(a)	**Central Government / President of India**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(b)	**State Government / Governor**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(C)	**Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
4	**Non-Institutions**	4	33,51,680	-	-	33,51,680	0.79	33,51,680	-	33,51,680	0.79	-	-	-	-	-	-	N.A.	N.A.	33,51,680	-
(a)	**Associate companies / Subsidiaries**	1	5,000	-	-	5,000	0.00	5,000	-	5,000	0.00	-	-	-	-	-	-	N.A.	N.A.	5,000	-
(b)	**Directors and their relatives (excluding Independent Directors and nominee Directors)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(C)	**Key Managerial Personnel**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
(D)	**Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)**	1	53,190	-	-	53,190	0.01	53,190	-	53,190	0.01	-	-	-	-	-	-	N.A.	N.A.	53,190	-
(E)	**Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee','beneficiary', or 'author of the trust''**	1,51,028	4,32,03,171	-	-	4,32,03,171	10.18	4,32,03,171	-	4,32,03,171	10.18	-	-	-	-	-	-	N.A.	N.A.	4,31,88,141	-
(f)	**Investor Education and Protection Fund (IEPF)**	49	1,49,23,698	-	-	1,49,23,698	3.52	1,49,23,698	-	1,49,23,698	3.52	-	-	-	-	-	-	N.A.	N.A.	1,49,23,698	-

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(g)	**i. Resident Individual holding nominal share capital up to ₹ 2 lakhs.**	2,896	2,39,87,407	-	-	2,39,87,407	5.65	2,39,87,407	-	2,39,87,407	5.65	-	-	-	-	-	-	N.A.	N.A.	2,37,62,407	-
(h)	**ii. Resident individual holding nominal share capital in excess of ₹ 2 lakhs.**	1	1,98,44,587	-	-	1,98,44,587	4.68	1,98,44,587	-	1,98,44,587	4.68	-	-	-	-	-	-	N.A.	N.A.	1,98,44,587	-
(i)	**Non Resident Indians (NRIs)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	-	
	Parajia Bharat Himatlal	1	6,45,52,521	-	-	6,45,52,521	15.22	6,45,52,521	-	6,45,52,521	15.22	-	-	-	-	-	-	N.A.	N.A.	6,45,52,521	-
(j)	**Foreign Nationals**	1	6,45,52,521	-	-	6,45,52,521	15.22	6,45,52,521	-	6,45,52,521	15.22	-	-	-	-	-	-	N.A.	N.A.	6,45,52,521	
(k)	**Foreign Companies**	1,391	1,21,52,812	-	-	1,21,52,812	2.86	1,21,52,812	-	1,21,52,812	2.86	-	-	-	-	-	-	N.A.	N.A.	1,21,52,812	-
	Fih Mauritius Investments Limited	2,565	40,79,770	-	-	40,79,770	0.96	40,79,770	-	40,79,770	0.96	-	-	-	-	-	-	N.A.	N.A.	40,79,770	-

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held (b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(l)	**Bodies Corporate**	6	92,627	-	-	92,627	0.02	92,627	-	92,627	0.02	-	-	-	-	-	-	N.A.	N.A.	92,627	-
(m)	**Any Other (Specify)**	1	249	-	-	249	0.00	249	-	249	0.00	-	-	-	-	-	-	N.A.	N.A.	249	-
	Trusts	169	18,42,853	-	-	18,42,853	0.43	18,42,853	-	18,42,853	0.43	-	-	-	-	-	-	N.A.	N.A.	18,42,853	-
	Escrow Account	2,377	21,40,884	-	-	21,40,884	0.50	21,40,884	-	21,40,884	0.50	-	-	-	-	-	-	N.A.	N.A.	21,40,884	-
	Body Corp-Limited Liability Partnership	12	3,157	-	-	3,157	0.00	3,157	-	3,157	0.00	-	-	-	-	-	-	N.A.	N.A.	3,157	-
	Hindu Undivided Family	1,57,936	16,63,09,249	-	-	16,63,09,249	39.20	16,63,09,249	-	16,63,09,249	39.20	-	-	-	-	-	-	N.A.	N.A.	16,60,69,219	-
	Clearing Member	1,58,125	31,85,67,550	-	-	31,85,67,550	75.09	31,85,67,550	-	31,85,67,550	75.09	-	-	-	-	-	-	N.A.	N.A.	31,83,27,520	-
	Sub Total (B)(4)																				
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)	19	1,04,44,036	-	-	1,04,44,036	2.46	1,04,44,036	-	1,04,44,036	2.46	-	-	-	-	-	-	N.A.	N.A.	1,04,44,036	-

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Custodian/DR Holder**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
2	**Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0

Table V - Statement showing details of Significant Beneficial Owners (SBO)

Sr. No	Details of SBO (I)		Details of Registered Owner (II)		Details of holding/ Exercise of right of the SBO in the reporting Company, whether direct or indirect*: (III)					Date of Creation/Acquisition of significant beneficial interest# (IV)
	Name	Nationality	Name	Nationality	Whether by virtue of:					
					Shares %	Voting Rights %	Dividend Rights %	Exercise of Control	Exercise of Significant Influence	
1	Nirmal Jain and Madhu Jain collectively	Indian	Orpheus Trading Private Limited	Indian	0.34	-	-	No	No	March 14, 2005
2	Nirmal Jain and Madhu Jain collectively	Indian	Ardent Impex Private Limited	Indian	0.86	-	-	No	No	May 19, 2006
3	Mansukhlal Jain and Pritesh Ashwin Mehta, Trustees of Nirmal Madhu Family Private Trust	Indian	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	Indian	2.62	-	-	No	No	January 18, 2018

In case the nature of holding/exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories.

#This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar

Annexure B

Table VI - Statement showing foreign ownership limits

	Board approved limits*	Limits utilized
As on shareholding date	100%	50.51
As on the end of previous 1st quarter	100%	51.06
As on the end of previous 2nd quarter	100%	49.70
As on the end of previous 3rd quarter	100%	51.78
As on the end of previous 4th quarter	100%	54.73

Details of the promoter of our Promoter

1. Nirmal Bhanwarlal Jain;
2. R Venkataraman;

Promoter Group and persons acting in concert

Other than our Promoter, following entities/individuals form part of our Promoter Group.

Promoter Group:

i. IIFL Samasta Finance Limited;
ii. IIFL Open Fintech Private Limited.

Persons acting in concert:

i. Ardent Impex Private Limited
ii. Orpheus Trading Private Limited

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscals 2024, 2023 and 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, read with SEBI NCS Regulations, as amended from time to time, see "*Financial Information*" on page 199, for Audited Standalone Financial Statements for Fiscal 2024, Audited Consolidated Financial Statements for Fiscal 2024, Audited Standalone Financial Statements for Fiscal 2023, Audited Consolidated Financial Statements for Fiscal 2023, Audited Standalone Financial Statements for Fiscal 2022 and Audited Consolidated Financial Statements for Fiscal 2022, notes no. 41, 41, 41, 41, 41 and 41 respectively.

Further, please see below the details of loans made or, guarantees given or securities provided by the Company for the current financial year i.e. up to September 30, 2024, and during the last three financial years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Related party transactions as per Ind AS 24 entered during Fiscal 2024, Fiscal 2023 and Fiscal 2022 with regard to loans made or, guarantees given or securities provided:

(₹ in crores unless otherwise stated)

Name of Related Party	Fiscal	ICD/Loan Given	Guarantees given	Securities provided
IIFL Finance Limited	2022	421.00		
IIHFL Sales Limited	2022	1.98		
IIFL Finance Limited	2023	300.00	-	-
IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	2023	370.00	-	-
IIHFL Sales Limited	2023	8.00	-	-
IIFL Samasta Finance Limited	2023	775.00	-	-
IIFL Finance Limited	2024	1,450.00	-	-
IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	2024	1,025.00	-	-
5Paisa Capital Limited	2024	430.00	-	-
IIFL Samasta Finance Limited	2024	400.00	-	-

Related party transactions entered during the current financial year for the period up to April 1, 2024 till as on September 30, 2024, with regard to loans made or, guarantees given or securities provided:

(₹ in crores unless otherwise stated)

Name of Related Party	ICD Given	Guarantees given	Securities provided
IIHFL Sales Limited	6.00	Nil	Nil

REGULATIONS AND POLICIES

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Introduction - Registration as an HFC and generally applicable regulations

Our Company, being an HFC registered under the NHB Act, is primarily engaged in the business of providing loans and advances for housing activities.

The NHB was set up pursuant to the NHB Act, and as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. In terms of the NHB Act, the primary objectives of the NHB, *inter alia, include* (i) promotion and establishment, supporting or aiding in the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities; (iii) subscribing to or purchasing of securities; (iv) guaranteeing the financial obligations of housing finance institutions and underwriting the issue of housing finance institutions; (v) dealing in bills, promissory notes and other instruments; (vi))buying, selling or otherwise dealing in any loans or advances secured by mortgage or charge of the immovable property relating to scheduled banks or housing finance institutions; (vii) creating one or more trusts and transferring loans or advances together with or without securities therefor to such trusts for consideration; (viii) setting aside loans or advances held by the National Housing Bank and issuing and selling securities based upon such loans or advances so set aside in the form of debt obligations, trust certificates of beneficial interest or other instruments, by whatever name called, and to act as trustee for the holders of such securities; (ix) setting up of one or more mutual funds for undertaking housing finance activities; (x) undertaking or participating in housing mortgage insurance; (xi) promoting, forming, conducting or associating in the promotion, formation or conduct of companies, mortgage banks, subsidiaries, societies, trusts or such other association of persons as it may deem fit for carrying out all or any of its functions under the NHB Act; (xii) undertaking research and surveys on construction techniques and other studies relating to or connected with shelter, housing and human settlement; (xiii) formulating one or more schemes for the mobilisation of resources and extension of credit for housing; (xiv) formulating a scheme for the purpose of accepting deposits; (xv) formulating one or more schemes for the economically weaker sections of society which may be subsidised by the Central Government or any State Government or any other source;(xvi) organising training programmes, seminars and symposia on matters relating to housing; (xvii) providing guidelines to housing finance institutions to ensure their growth on sound lines; (xviii) providing technical and administrative assistance to housing finance institutions; (xix) co-ordinating with the Life Insurance Corporation of India, the Unit Trust of India, the General Insurance Corporation of India and other financial institutions, in the discharge of its overall functions; (xx) exercising all powers and functions in the performance of duties entrusted to the NHB under NHB Act or under any other law for the time being in force; (xxi) acting as agent of the Central Government, the State Government or the RBI; (xxii) any other kind of business which the Central Government may, on the recommendation of the RBI, authorise; and (xxiii) generally, doing of all such matters and things as may be incidental to or consequential upon the exercise of its powers or the discharge of its duties under the NHB Act.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act has been amended consequent to the NHB Act Amendments, to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power (a) to determine the percentage of assets to be maintained in terms of its investments and purpose for appropriation of reserve fund; and (b) to regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments, retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

Further, pursuant to the amendments to the 'Master Direction – Exemptions from the RBI Act, 1934 dated November 24, 2020, sections 45 – IA, 45 -IB and 45 – IC of the RBI Act, which deal with requirement of registration and net owned fund, maintenance of percentage assets, and the setting up and maintenance of a reserve fund are not applicable to HFCs.

On June 17, 2020, the RBI released proposed changes to be undertaken in the regulatory framework for HFCs post the transfer of regulation of HFCs from NHB to the RBI with effect from August 9, 2019, for public comments ("**Draft Framework**"). These included changes such as (a) defining principal business and qualifying assets for HFCs; (b) defining the phrase 'providing finance for housing' or 'housing finance'; (c) classification of HFCs as systematically important or non-systematically important; and (d) applicability of liquidity risk framework, liquidity coverage ratio and securitisation.

Basis the inputs received in relation to the Draft Framework, the RBI issued a revised framework for regulating the HFCs by way of its circular dated October 22, 2020 ("**Revised HFC Framework**"). Pursuant to the Revised HFC Framework, the RBI has, amongst others, (a) exempted HFCs from the applicability of section 45-IB and 45-IC of the RBI Act. However, relevant notifications in this regard are yet to be issued; (b) increased the minimum net owned fund requirement for HFCs from ₹ 10 crore to ₹ 20 crore; (c) provided instructions for managing risks and the code of conduct in outsourcing of financial services; (d) provided guidelines on liquidity risk management framework; (e) provided guidelines on liquidity coverage ratio (LCR) and (f) extended applicability of regulations applicable on NBFCs to HFCs pertaining to monitoring of frauds, information technology framework and implementation of Indian Accounting Standards for impairment allowances and regulatory capital.

On October 19, 2023 the RBI issued Master Direction – Reserve Bank of India (Non-Banking Financial Company -Scale Based Regulation) Directions, 2023, as amended from time to time ("**SBR Directions**"). Pursuant to the SBR Directions. A Revised Regulatory Framework for NBFCs whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i. NBFC- Base Layer ("**NBFC-BL**");
ii. NBFC- Middle Layer ("**NBFC-ML**")
iii. NBFC- Upper layer ("**NBFC-UL**"); and
iv. NBFC- Top Layer ("**NBFC-TL**")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFCAA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("NBFC-Ds"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs)– (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in annexure 1 to SBR Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-Upper Layer. Such NBFC shall move to the NBFC-Top Layer. Pursuant the SBR Direction the criteria of asset size of non-deposit NBFCs for classification as non-systemically important for the purpose of regulatory structure of NBFCs have been increased from ₹ 500 crore to ₹ 1,000 crore ("**NBFC-ND**").

Therefore, NBFCs that undertakes housing finance activities will fall under middle layer ("NBFC-ML""). SBR Directions provide that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be.

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ***("RBI Master Directions")***

The RBI Master Directions define the term 'housing finance company' as a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

a. It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets); and

b. Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals

Net owned funds

In terms of the RBI Master Directions, every HFC is required to meet the requirement of net owned funds of ₹20 crore for commencing housing finance as one of its principal business or carrying on the business of housing finance as one of its principal business. Further, HFCs whose net owned fund currently stands below ₹20, are required to submit a statutory auditor's certificate to RBI within a period of one month evidencing compliance with the prescribed levels as at the end of the relevant period and with the failure to reach the minimum requirement leading to cancellation of registration as an HFC with allowance for conversion to a NBFC- Investment and Credit Companies.

Capital Requirement

As per the RBI Master Directions, every HFC is required to maintain a minimum capital adequacy ratio, on an ongoing basis consisting of tier 1 and tier 2 capital which shall not be less than 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The Tier 1 capital, at any point of time, shall not be less than 10 per cent. The total of tier 2 capital, at any point of time, shall not exceed 100 per cent of tier 1 capital.

Accounting Standards

HFCs that are required to implement Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in terms of the RBI Master Directions. Other HFCs comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with any of the directions provided under the RBI Master Directions.

Source of funds

HFCs can generally raise funds by way of borrowings or through equity. The sourcing of funds by HFCs is primarily regulated by the RBI, NHB, and SEBI. The limits on borrowings by HFCs are governed by the RBI Master Directions. RBI Master Directions currently permit HFCs to borrow up to 12 times of their net owned funds . Further, the RBI Directions require HFCs to have in place a board approved policy for resource planning.

In accordance with the RBI Master Directions, our Company has put in place a board approved policy for resource planning ("**Resource Planning Policy**"). The Resource Planning Policy seeks to maintain a balance in the source of funds by borrowing from the debt capital market as well as traditional borrowings from banks and others, reduce the weighted average cost of borrowing by borrowing across multiple maturities, support disbursement growth by providing adequate liquidity, and proper balancing of asset and liability mismatch within the permitted tolerance level.

Term Loans

In terms of the Master Circular – Housing Finance dated July 1, 2015 issued by the RBI, banks are permitted to grant term loans to HFCs considering (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including the other applicable regulatory guidelines

Income Recognition and Provisioning Requirements

The RBI Master Directions require that income recognition be based on recognised accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognised only when it is actually realised. Any such income recognised before the asset became NPA and remaining unrealised shall be reversed. Further, the RBI Master Directions require the board of directors of every HFC to frame investment policy for the company and shall implement the same.

Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against standard assets, sub-standard assets, doubtful assets and loss assets.

Regulatory Restrictions

An HFC cannot lend against its own shares. Further, no HFC can grant housing loans to individuals up to (a) ₹30 lakhs with LTV ratio exceeding 90%; (b) above ₹30 lakhs and up to ₹75 lakhs exceeding 80%; and (c) above ₹75 lakhs with LTV ratio exceeding 75%. In inclusion, the RBI Master Directions provide for the definition of LTV ratio. Additionally, the RBI advised that disbursement of loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code under RBI Master Directions ("**Fair Practices Code**") requires HFCs to convey certain terms and conditions at the time of sanction of loans such as the annualised interest rate, equated monthly instalments ("**EMI**") structure, prepayment charges, penal charges etc. Further, in terms of the PSL Master Directions, issued by the

RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹20 lakhs per borrowers, for purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Acceptance / renewal of public deposits

Company is carrying out business of Housing Finance Institution without accepting public deposits.

Acquisition / Transfer of Control

In terms of the RBI Master Directions, prior written permission of Reserve Bank of India shall be required for any takeover or acquisition of control of an HFC, which may or may not result in change of management, any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition/ transfer of shareholding of 26% or more of the paid-up equity capital of the HFC. Provided that, prior approval would not be required in case of any shareholding going beyond 26%, as applicable, due to buyback of shares / reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

Corporate Governance

In terms of the RBI Master Directions, the corporate governance norms shall be applicable to all HFCs. The HFCs are required to constitute audit committee, nomination and remuneration committee, asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the critical and significant internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Further, the RBI Master Directions provide for appointment of a chief risk officer ("**CRO**") for HFCs with an asset size of ₹5,000 crore with clearly specified role and responsibilities. The CRO, who shall be a senior official in the hierarchy of an HFC and shall possess adequate professional qualification / experience in the area of risk management, is required to function independently so as to ensure highest standards of risk management.

Further, all HFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the 'fit and proper' criteria of the directors at the time of appointment, and on a continuing basis. The policy on the 'fit and proper' criteria shall be on the lines of the guidelines contained in the RBI Master Directions.

*Guidelines on private placement of NCDs **("Guidelines")***

A HFC can issue non-convertible debentures ("**Debentures**") for deployment of funds for creation of own assets. However, no HFC shall issue non-convertible debentures to facilitate resource requests of or utilisation by group entities/ parent company/ associates. The NCDs proposed to be issued by a HFC shall not be issued for maturities of less than 12 months from the date of the issue. Further, exercise date of option (put/call), if any, attached to the Debentures shall not fall within the period of one year from the date of issue. Further, eligible HFCs shall obtain credit rating for the for the issue of Debentures from one of the credit rating agencies, viz., the Credit Rating Information Services of India Limited or the Investment Information and Credit Rating Agency of India Limited or the Credit Analysis and Research Limited or the FITCH Ratings India Private Limited or Brickwork Ratings India Private Limited or such other agencies registered with SEBI or such other credit rating agencies as may be specified by RBI.

In terms of the Guidelines, there shall be a limit of 200 subscribers for every financial year, for issuance of Debentures with a maximum subscription of less than ₹1 crore, and such subscription shall be fully secured and there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹1 crore and the option to create security in favour of subscribers to Debentures will be with the issuers of such Debentures. Further, the minimum subscription per investor shall be ₹0.2 crores.

The issues under the Guidelines are to be completed within a period of 30 days from the date of issue opening. The Guidelines require the offer document of the issue to be made within a maximum period of 6 months from the date of the board resolution authorising the issue and also require a board approved policy for resource planning which covers the planning horizon and the periodicity of the private placement of non-convertible debentures.

Other Borrowings

The RBI issued the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024. All companies, including HFCs are eligible issuers under these directions. The commercial papers and NCDs are required to be issued in a dematerialised form and in minimum denominations of ₹500,000. The tenor of such NCD cannot be less than ninety days or more than one year and the tenor of the commercial papers will not be less than seven days and more than a year. The directions lay down other requirements in relation to the credit rating and maturity of such NCDs.

External commercial borrowings ("**ECB**") are commercial loans raised by eligible resident entities from recognised non-resident entities in terms of the ECB Master Directions. While availing of such ECBs, HFCs are required to conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling set out in the ECB Master Directions.

RBI's circular dated August 25, 2021 read with Gazette notification dated June 17, 2021

The GoI, vide notification no. S.O. 2405(E) dated June 17, 2021, and in exercise of powers under Section 2(1)(m)(iv) of the SARFAESI Act, notified HFCs registered under Section 29A(5) of the NHB Act having assets worth ₹100 crore and above as financial institutions in terms of the SARFAESI Act. Pursuant to the aforementioned the RBI, vide circular dated August 25, 2021, has withdrawn paragraph 105 of the RBI Master Directions wherein certain criteria for notification of HFCs as financial institutions had been prescribed.

*RBI Master Circular dated October 1, 2021 on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances (the "**IRACP Norms**") read with the RBI Circular dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications ("**Prudential Norms – Clarifications 2021**") and read with the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications dated February 15, 2022*

The IRACP Norms, read with the RBI Master Directions, have laid down prudential norms with regard to NPAs, including in relation to the identification of NPAs and income recognition against NPAs. Further, the Prudential Norms – Clarifications 2021 seek to ensure uniformity in the implementation of the IRACP Norms across lending institutions and prescribes detailed clarifications regarding the classification and recognition of NPAs. For further information, please refer to "*Risk Factors – Risk Factor #5 Any increase in the levels of non-performing assets, for any reason whatsoever, would adversely affect our business, results of operations and financial condition*." on page 25.

*Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 (the "**PSL Master Directions**")*

The priority sector lending ("**PSL**") guidelines were enacted with a view to govern priority sector advances and loans granted by scheduled commercial banks including regional rural banks, small finance banks, local area banks and primary urban co-operative banks, other than salary earners' banks, licensed to operate in India.

The PSL Master Directions, as updated on October 20, 2022, govern priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks and small finance banks) regulated by the RBI to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 20 lakhs per borrower. The eligibility under the PSL Master Directions to HFCs for on-lending is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co -terminus with the maturity of the bank loan.

RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5,2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserviced sections of the economy. By entering co-lending arrangements, banks and non-banking financial companies ("**NBFC**") can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the NBFCs will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account. The liability for the representations and warranties found in the master agreement will be ascribed to the originating NBFCs. The co-lenders will be mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

NHB Refinance

NHB offers refinance assistance to primary lending institutions ("**PLIs**") in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. HFCs registered with the NHB, being a PLI, are eligible to obtain refinance under NHB's various refinance scheme from time to time. The NHB provides such refinance assistance in terms of its various refinance schemes such as the regular refinance scheme, special urban housing refinance scheme for low income households and the affordable housing fund, each of which set out certain restrictions applicable to loans provided by the HFCs in terms of their loan size, tenure, location of property and the ultimate borrower in some cases. The terms of the re-finance assistance, such as the tenure and interest rate applicable is subject to eligibility of the loans under the respective schemes. For instance, while the regular refinance scheme provides for refinance assistance in respect of housing loans extended by HFCs for, amongst others, construction and purchase of dwelling units with no restrictions on loan size, location and the ultimate borrowers of such loans, the affordable housing fund includes eligibility conditions based on the annual household income of the borrowers depending on the location of the property being in urban or rural areas, as prescribed thereunder.

Refinance Scheme for Housing Finance Companies 2015, as amended (Refinance Scheme)

Pursuant to the Refinance Scheme and the clarification provided by the NHB by way of the circular NHB (ND)/ROD/HFC/Refinance Circular 1/2015-16 and the refinance booklet dated December 21, 2023 issued by NHB, HFCs registered with the NHB if they fulfil the following criteria, will be eligible to draw refinance from NHB:

a. HFC should be registered with NHB/RBI to carry out housing finance activity in the country;

b. The HFCs are required to provide long-term finance for construction / purchase / repair/ upgradation of dwelling units by home-seekers;

c. The HFC are required to qualify under Principal Business Criteria prescribed in Paragraph 4.1.17 of the RBI Master Directions as updated from time to time.

d. The HFC should have a Minimum Net Owned Fund (NOF) as prescribed by RBI Master Directions as updated from time to time;

e. The HFC should comply with the provisions of the NHB Act, NHB Directions and RBI circulars/guidelines issued from time to time; and

f. The Net Non-Performing Assets **("NNPA**") of the HFC should not be more than 3.50% of the Net Advances. NPA shall carry the same meaning as defined in the NHB Directions, as modified upto date and modified by RBI henceforth. NNPA means 'NPA less provision'. Net Advances shall mean 'Advances less provision'. 'Advances' shall, apart from housing loans, include mortgage loans, lease transactions, hire purchase assets, bills of exchange, inter-corporate deposits and unquoted debentures.

The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. Financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of an HFC. If at any time NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security as may be acceptable to NHB to cover such deficiency.

On-boarding of customers and marketing

Advertising, Marketing and Sales:

The Fair Practices Code under RBI Master Directions seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces to achieve higher operating standards and promote fair and cordial relationship between customer and HFCs, and foster confidence in the housing finance system. HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process, including the amount, tenure and periodicity of repayment.

The Fair Practices Code also prescribes certain requirements applicable at the time of applications for loans, loan appraisal and disbursement of loans. For instance, HFCs are required to include in the loan application forms all necessary information so that the applicant may make a meaningful comparison with the terms offered by other HFCs, to devise a system of giving acknowledgement for receipt of all loan applications and to communicate in writing the reasons for rejection of the application.

KYC and AML:

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions. Further, the guidelines on 'Know Your Customer' & 'Anti-Money Laundering Measures' for HFCs issued by the NHB by way of its circular dated March 11, 2019 ("**NHB KYC Circular**"), were applicable on HFCs until May 19, 2020.

On May 19, 2020, RBI issued a circular wherein applicability of Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC Direction**"), as amended was extended to HFCs and NHB KYC Circular stood repealed. The

KYC Direction requires an HFC to formulate a Board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client's business and their location; (iii) undertake customer identification procedures when, *inter alia*, commencement of an account based relationship, when there is a doubt about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when or when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', authorised signatory or power of attorney holder related to the legal entity.

Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated December 31, 2021

The NHB pursuant to its circular dated December 31, 2021 (updated on July 21, 2023) on "*Returns to be submitted by Housing Finance Companies (HFCs)*" advised all HFCs to put in place a reporting system for filing various returns with respect to their deposit acceptance, prudential norms compliance, ALM etc. The reporting is required to be made online within the prescribed timeframe through the Centralised Reporting and Management Information System (CRAMIS) portal only and HFCs are to strictly adhere to the timeframe fixed in this circular for submitting returns to the NHB failing which concerned HFCs would be liable for penal action under the provisions of National Housing Bank Act, 1987. It must be ensured that the information, on common financial parameters, if any, submitted under various returns viz., monthly, quarterly, half-yearly etc., with reference to the position viz., June 30th/ September 30th/ December 31st/ March 31st, remains consistent. Additionally, the HFCs must ensure that the information in the CRAMIS portal be updated immediately, whenever there is any change in the details of managing director and chief executive officer, directors, statutory auditor(s), principal officer, nodal officer, compliance officer, functional head, designated director, authorized signatory, grievance redressal officer, branches/ offices, address of the corporate office, etc.

Credit Approval and Disbursement

The granting of housing loans and disbursements of such loans by HFCs is primarily governed by the directions and circulars issued by the RBI, such as the RBI Master Directions containing the Fair Practices Code and the Revised HFC Framework. In terms of the RBI Master Directions, amongst others, (i) no HFC may grant housing loans to individuals of up to ₹ 30 lakhs with an LTV ratio exceeding 90% of between ₹ 30 lakhs to ₹ 75 lakhs with LTV ratio exceeding 80%, and above ₹ 75 lakhs with LTV ratio exceeding 75%; (ii) no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. Additionally, the NHB advised that disbursement of the loans should be strictly linked to completion of various stages of construction. Further, the RBI has mandated that the HFCs should set up a well-defined mechanism for monitoring the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the constructor / developer.

Further, the fair practices code requires HFCs to convey certain terms and conditions at the time of sanction such as the annualised interest rate, equated monthly instalments **("EMI")** structure and prepayment charges. Further, our internal credit policy lays down the requirements for various customer profiles including salaried, self-employed professionals/non-professionals and non-individual entities. The internal credit policy has also laid down clear rules for determining as to who can be an eligible applicant.

Further, in terms of the PSL Master Directions, issued by the RBI, bank loans to HFCs (approved by NHB for their refinance) for on-lending is permitted, for up to ₹ 20 lakhs per borrowers, for purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.

Asset classification, Provisioning and Income Recognition

COVID19 Regulatory Package - Asset Classification and Provisioning on April 17, 2020

The RBI notified the COVID19 Regulatory Package – Asset Classification and Provisioning to alleviate the burden on financial institutions that were impacted owing to the COVID – 19 pandemic.

In terms of the circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, the RBI allowed financial institutions to provide for a three month moratorium on all term loan payments falling due between March 1, 2020 and May 31, 2020. Similarly, in terms of working capital facilities such as cash credit and overdraft, the RBI permitted the recovery of interest to be deferred.

In respect of accounts which are at default but standard as on February 29, 2020, and an asset classification benefit is extended, lending institutions will be required to make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters i.e. not less than 5 per cent for each of the Quarter ended on March 31, 2020 and the three month period ended June 30, 2020. NBFCs which are required to comply with Ind AS shall, as hitherto, continue to be guided by the guidelines duly approved by their board of directors and as per advisories issued by ICAI for recognition of their impairments.

In terms of circulars issued by the NHB, HFCs are required to comply with the provisions of Ind AS, as notified by the MCA from time to time, including the date of implementation notified by the MCA by its notification dated March 30, 2016. Accordingly, the financial reporting of financial assets, financial liabilities, provisioning and income recognition is primarily governed by Ind AS 109.

In terms of the Revised HFC Framework, HFCs shall also be required to maintain a prudential floor in respect of impairment allowances and follow instructions on regulatory capital.

However, for regulatory and supervisory purposes, including various kinds of reporting to the NHB and RBI, HFCs are required to follow the relevant provisions of NHB Act and RBI Master Directions including framework on prudential norms and other related circulars issued in this regard by the RBI from time to time. Every HFC is required to, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets, sub-standard assets, doubtful assets, and loss assets. Further, every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements after taking into account the time lag between an account becoming NPA, its recognition as such, the realization of the security, and the erosion over time in the value of security charged.

The RBI Master Directions require that income recognition be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed. The interest income earned on NPA accounts shall be recognised in accordance with principles laid out in the Ind AS.

Risk Management Framework

<u>*Asset Liability Management:*</u>

The RBI has, by way of its RBI Master Directions, prescribed guidelines for asset liability management system in HFCs ("**ALM Guidelines**"). In terms of the ALM Guidelines, HFCs are exposed to several major risks in the course of their business - credit risk, interest rate risk, equity/commodity price risk, liquidity risk and operational risk. In terms of the ALM guidelines, the asset liability management ("**ALM**") process involves, amongst others, (i) ALM information systems, which includes management information systems and availability of information and accuracy, adequacy and expediency thereof; (ii) ALM organisation, which includes involvement of top level management; and (iii) identification, measurement and management of risks and having in place risk policies and tolerance levels. Further, the scope of the ALM function of the HFC includes, amongst others, liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection, forecasting and analysing 'what if scenario' and preparation of contingency plans.

The ALM Guidelines also recommended the classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioral pattern of various components of assets and liabilities on the basis of past data or empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

<u>*Appointment of a Chief Risk Officer:*</u>

The RBI has mandated the appointment of a Chief Risk Officer ("**CRO**") vide RBI Master Directions. The CRO shall be a senior official with adequate professional qualification and expertise in the area of risk management.

The office of the CRO shall be an independent office with direct reporting lines to the managing director or the chief executive officer. The CRO will be tasked with the identification, mitigation and measuring of risk with respect to the products being offered by the HFC.

<u>*Corporate Governance:*</u>

The RBI Master Directions issued, apply to every non-public deposit accepting HFC with assets size of ₹ 50 crore and above, based on the last audited balance sheet, and all public deposit accepting / holding HFCs ("**Applicable HFC**"). Applicable HFCs are required to constitute, amongst others, an audit committee, an asset liability management committee and a risk management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Applicable HFC must be placed before the board of directors. The Applicable HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm. The Applicable HFCs are also required to frame internal guidelines on corporate governance standards which are also to be put up on their website for information of various stakeholders.

Recovery of dues

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the Fair Practices Code requires HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession.

Emergency Credit Line Guarantee Scheme

The Ministry of Finance, Government of India on May 13, 2020 announced the Emergency Credit Line Guarantee Scheme under which stressed sectors can avail themselves of debt moratoriums for up to five years.

ECLGS-2.0 refers to the scheme for providing 100% guarantee coverage by NCGTC to its Member Lending Institutions against extension of eligible credit to its existing borrowers in the 26 stressed sectors identified by the Kamath Committee on Resolution Framework and the Healthcare sector whose total credit outstanding (fund based) across all lending institutions and days past due as on February 29, 2020 was above ₹ 50 crore and not exceeding ₹ 500 crore and upto 60 days respectively.

ECLGS 2.0(Extension) refers to the scheme for providing additional support to existing borrowers of ECLGS 2.0 or new borrowers eligible under ECLGS 2.0 based on revised reference date of March 31, 2021.

ECLGS 3.0 refers to the scheme for providing 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to its borrowers in the hospitality and related sectors-hotels and restaurants, marriage halls, canteens etc, travel and tourism ,travel agents, tour operators, adventure or heritage facilities, leisure and sporting, private bus operators, car repair services, rent-a-car service providers, event/conference organizers, spa clinics, beauty parlours/saloons, motor vehicle aggregators, cinema halls, swimming pools, entertainment parks, theatres, bars, auditorium, yoga institutes, gymnasiums, other fitness centers, units/person engaged in catering or cooking and floriculture products, and civil aviation sector- airlines (including scheduled and non-scheduled airlines, chartered flight operators, air, ambulances), airports, aviation ancillary services such as ground handling and supply chain whose days past due are up to 60 days as on February 29, 2020.

ECLGS 3.0 (Extension) refers to the scheme for providing additional support to existing borrowers of ECLGS 3.0 or new borrowers eligible under ECLGS 3.0 based on revised reference date of March 31, 2021 or January 31, 2022.

ECLGS 4.0 refers to the scheme for providing 100% guarantee to member lending institutions in respect of eligible credit facility extended by them to eligible hospitals/nursing homes/clinics/medical colleges / units engaged in manufacturing of liquid oxygen, oxygen cylinders etc. For setting up of on-site oxygen producing plants. The credit product for which guarantee would be provided under the Scheme has been named as 'Guaranteed Emergency Credit Line (GECL)'.

The ECLGS provides collateral-free, additional credit at capped interest rates to firms in 26 stressed sectors identified by the KV Kamath panel. The scheme also extended the deadline of loan moratorium from December, 2020 to March, 2021. The stressed sectors identified by the panel include aviation, power, construction, steel, roads and real estate. Under the scheme the tenor of additional credit is five years, including one-year moratorium on principal repayment available till March 31, 2021. The scheme does not have a ceiling on annual turnover, but firms were required to have credit outstanding above ₹5,000 lakhs and up to ₹50,000 lakhs as on February 29, 2020 to avail of the scheme.

Laws related to money laundering

The Prevention of Money Laundering Act 2002 ("PMLA")

The PMLA was enacted to prevent money laundering and to provide for the confiscation of property derived from and involved in money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, are required to maintain records of all transactions, including the value and nature of such transactions, provide information of such transactions to the director defined under the PMLA, and verify and maintain the records of the identity of all of its clients, in such a manner as may be prescribed. The PMLA also provides for a power of summons, searches and seizures to the authorities under the PMLA. In terms of the PMLA, whosoever directly or indirectly attempts to indulge, knowingly assists, knowingly is a party to or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering.

Laws in relation to securing and recovering debts

In the event customers do not adhere to the repayment schedule for loans provided by HFCs, the Fair Practices Code requires HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession.

SARFAESI Act:

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire assets of a bank or financial institution, including HFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. For HFCs, SARFAESI recovery is allowed for all loans of greater than ₹ 0.20 crore ticket size.

Further, the SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor, such as an HFC, can recover dues from its borrowers by taking any of the measures as provided therein, including (i) taking possession of the secured assets or (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a non-performing asset in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. However, the requirement for a secured debt to be classified as a non -performing asset shall not apply to a borrower who has raised funds through debt securities. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

Further, in terms of the RBI Master Directions, HFCs are permitted to carry out securitization of standard assets and transfer of assets through direct assignment of cash flows and the underlying securities, provided that such HFCs conform to the minimum holding period and minimum retention requirement standards.

Further, the SARFAESI Act was amended under Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016. The amendments *inter alia* include that: (i) secured creditors can take assistance of the district magistrate to complete the process of recovery of debt within 30 days of filing of an affidavit; (ii) on commencement of the Insolvency and Bankruptcy Code, 2016, in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of the borrower, priority to secured creditors in payment of debt is subject to the provisions of the Insolvency and Bankruptcy Code, 2016; (iii) creation of a central database to integrate recording of rights over any property registered under various registration systems.

*Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("**DRT Act**")*

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("**DRTs**"), powers of DRTs and modes of recovery of debts determined by DRTs, including *inter alia* attachment and sale of movable and immovable properties of defendants, taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, such as an HFC, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. The DRT Act further clarifies that on or after the commencement of the IBC in cases where insolvency and bankruptcy proceedings are pending in respect of secured assets of the borrower, the distribution of proceeds from the sale of secured assets shall be subject to the order of priority as provided therein.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("**ESIRDA**") which was introduced on August 16, 2016, amended the DRT Act. The amendments to the DRT Act pursuant to ESIRDA include, amongst others, (i) providing further details of procedures that tribunals need to follow in case of debt recovery proceedings; (ii) granting of power to recovery officers to take possession of the property over which security interest is created or any other property of the defendant as well asappoint a receiver and sell the same; (iii) priority being given to secured creditors in payment of debt in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of a borrower subject to theprovisions of the Insolvency and Bankruptcy Code, 2016; and (iv) depositing of 50% of the amount of debt due as determined by the DRTs, for filing an appeal against any order of the recovery officer.

RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024

The Master Direction on 'Willful Defaulters', redefines the term 'willful default' which would be deemed to have occurred if there is a default in the repayment obligations despite (i) the borrower having the capacity to honour the said obligations; (ii) the borrower has diverted the funds availed under the credit facility from lender; (iii) the borrower has siphoned off the funds availed under the credit facility from lender; (iv) the borrower has disposed of immovable or movable assets provided for the purpose of securing the credit facility without the approval of the lender; (v)The borrower or the promoter has failed in its commitment to the lender to infuse equity despite having the ability to infuse the equity, although the lender has provided loans or certain concessions to the borrower based on this commitment and other covenants and conditions. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Willful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following: No additional facilities will be granted by banks and financial institutions. (b) The bar on additional credit facility to a wilful defaulter or any entity with which a wilful defaulter is associated shall be effective for a period of one (1) year after the name of wilful defaulter has been removed from the List of Wilful Defaulters (LWD) by the lender. (c) No credit facility shall be granted by any lender for floating of new ventures to a wilful defaulter or any entity with which a wilful defaulter is associated for a period of five (5) years after the name of wilful defaulter has been removed from the LWD by the lender. (d) Wilful defaulters or any entity with which a wilful defaulter is associated shall not be eligible for restructuring of credit facility. Subsequent to removal of the name of wilful defaulter from the LWD, the wilful defaulter or any entity with which a wilful defaulter is associated shall be eligible for restructuring

*Insolvency and Bankruptcy Code, 2016, as amended (the "**IBC**")*

The IBC empowers creditors, whether secured, unsecured, domestic, international, financial or operational, to trigger resolution processes, enables resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

Companies Act, 2013

The Companies Act, 2013 ("**Companies Act**") has been notified by the Government of India on August 30, 2013 (the "**Notification**"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

SEBI Regulations

The Securities and Exchange Board of India ("SEBI") governs listed entities pursuant to the powers granted to it under the Securities and Exchange Board of India Act, 1990, as amended from time to time. In pursuance of these powers, SEBI prescribes regulations with respect to listed entities, ensuring high standards of investor safety and corporate governance. SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time, list out the continuous disclosure obligations of a listed entity for securing transparency in process and ethical capital market dealings.

SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("***SEBI NCS Regulations***")

The Securities and Exchange Board of India, on August 9, 2021, notified the SEBI NCS Regulations, thereby merging the SEBI (Issue and Listing of Debt Securities) Regulations ("**SEBI Debt Regulations**") and the SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("NCRPS Regulations") into a single regulation. The proposal to merge the two regulations was first introduced by way of a consultation paper released on May 19, 2021, which sought to align the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations came in to force from the seventh day of their notification in the gazette, i.e. from August 16, 2021. The SEBI Debt Regulations and the NCRPS Regulations stand repealed from this date.

The SEBI NCS Regulations have aligned the extant regulations with the provisions of the Companies Act 2013, and incorporate the enhanced obligations of debenture trustees, informal guidance and provisions of circulars issued by SEBI. The SEBI NCS Regulations apply to: (i) the issuance and listing of debt securities and non- convertible redeemable preference shares (NCRPS) by an issuer by way of public issuance; (ii) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and (iii) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the RBI.

In addition to collating the existing provisions of the erstwhile regulations, the SEBI NCS Regulations, also provide for, change in disclosure requirements for financial and other information from past five years to three years; parameters for identification of risk factors; removal of restriction of four issuances in a year through a single shelf prospectus; and filing of shelf prospectus post curing of defaults.

*SEBI Master Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) on August 10, 2021 ("**SEBI Master Circular**").*

SEBI Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper on July 29, 2022.

Following the SEBI's notification of the SEBI NCS Regulations, to merge the SEBI Debt Regulations and the NCRPS Regulations into a single regulation, SEBI has issued an the SEBI Operational Circular, which has been further amended by circular number SEBI/HO/DDHS/P/CIR/2021/0692 dated December 17, 2021, circular number SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/031 dated March 22, 2022, circular number SEBI/HO/DDHS/P/CIR/2021/613 dated April 13, 2022 and circular number SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/00152 dated November 10, 2022.

Since the notification of the SEBI Debt Regulations and the NCRPS Regulations, SEBI had issued multiple circulars covering the procedural and operational aspects of the substantive law in these regulations. Therefore, the process of merging these regulations into the SEBI NCS Regulations also entails consolidation of the related existing circulars into a single SEBI Operational Circular, in alignment with the NCS Regulations. The stipulations contained in such circulars have been detailed chapter-wise in the SEBI Operational Circular. Accordingly, the circulars listed at Annex - 1 of the SEBI Operational Circular, stand superseded by the SEBI Operational Circular.

RBI's COVID-19 related measures for HFCs

On March 27, 2020, the monetary policy committee of the RBI, in its statement, noted the adverse impact of COVID-19 and released regulatory packages on March 27, 2020 and April 17, 2020 ("**COVID Package**"). The RBI permitted all the lending institutions (including HFCs) to grant a moratorium on repayment of instalments of term loans and working capital loans falling due between March 1, 2020 to May 31, 2020 for accounts which were classified as 'standard' as on February 29, 2020. However, the interest on such instalments continued to accrue on the outstanding portion of the term loans and such accounts did not qualify for asset classification downgrade due to the moratorium. Subject to certain conditions, the HFCs were required to maintain general provisions of at least 10% of the total outstanding accounts in a phased manner until June 30, 2020 for accounts to which moratorium benefit was extended. NBFCs (including HFCs) which were required to comply with Ind AS, had to make impairment provisions as per their expected credit loss models.

On May 23, 2020, the moratorium on term loans and working capital facilities was extended until August 31, 2020. The RBI also permitted the lending institutions to convert the interest deferred into a funded interest term loan repayable on or before March 31, 2021. Further, lending institutions were restricted from downgrading the accounts on which moratorium benefit was extended, on account of default in payment.

The RBI also released a Special Liquidity Scheme particularly for NBFCs and HFCs, dated July 1, 2020, whereby, subject to fulfilling eligibility criteria therein, an HFC, in order to exhaust its existing liabilities, could issue short term papers to a special purpose vehicle set up under the scheme. Additionally, the NHB launched the Special Refinance Facility Scheme dated April 29, 2020 under which an HFC can avail short term refinancing to mitigate the liquidity risk if all the eligibility conditions are complied with. The eligible amount of such facilities will be based on the assessment of the impact of the moratorium on the cash flows of the HFC/PLI during the period of the moratorium. For details, see "*Our Business*" and "*Industry Overview*" beginning on pages 116 and 98, respectively.

The RBI Resolution Framework for Covid-19 related Stress dated August 6, 2020 provides for a window to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions. Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 180 days from the date of invocation.

The RBI Resolution Framework for COVID -19 related Stress – Financial Parameters dated September 7, 2020 sets out the financial parameters that all lending institutions are required to consider while finalising the resolution plans in respect of eligible non-personal loan borrowers.

Lending institutions are required to consider the following financial ratios: (i) total outside liabilities / adjusted tangible net worth; (ii) total debt / EBITDA; (iii) current ratio; (iv) debt service coverage ratio; and (v) average debt service coverage ratio, in terms of this circular.

The various requirements of the Resolution Framework dated September 7, 2020 such as the mandatory requirement of an Inter- Creditor Agreement ("**ICA")**, and the maintenance of an escrow account are required to be implemented at the borrower account level. Further, the RBI has mandated that an invocation of a resolution plan cannot be treated as a substitute for the singing of an ICA.

COVID 19 – Regulatory Package

RBI, on account of the disruptions caused to businesses on account of COVID-19 and to ensure the continuity of viable businesses, has permitted all lending institutions to grant a moratorium of six months on payment of all instalments falling due between March 1, 2020 and August 31, 2020. However, the repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. RBI has also clarified that for all accounts classified as standard as on February 29, 2020, even if overdue as on February 29, 2020, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past due for the purpose of asset classification under the IRAC norms. Further, HFCs will be required to make general provisions in respect of accounts that are in default but were standard as on February 29, 2020, and in respect of which the asset classification benefit has been extended. Such general provisions should be not less than 10% of the total outstanding amount in respect of such accounts, to be phased over the Quarter ended March 31, 2020 (not less than 5%) and the three month period ended June 30, 2020 (not less than 5%). The aforementioned provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts However, all other provisions required to be maintained by lending institutions, including the provisions for accounts already classified as NPA as on February 29, 2020 as well as subsequent ageing in these accounts, shall continue to be made in the usual manner.

RBI circular on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package dated April 7, 2021 ***("RBI Circular on Asset Classification")***

RBI Circular on Asset Classification gives effect to the judgement of the Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v. Union of India and others dated March 23, 2021 and requires all lending institutions, including HFCs, to immediately put in place a board approved policy to refund/ adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e., March 1, 2020 to August 31, 2020 in conformity with the judgement. To ensure that the judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association in consultation with other industry participants/ bodies, which shall be adopted by all lending institutions. The reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, in terms of the RBI circulars on COVID-19 Regulatory Package dated March 27, 2020 and May 23, 2020.Lending institutions shall disclose the aggregate amount to be refunded/ adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021.

Further, on August 6, 2020 RBI notified the "Resolution framework for COVID-19 Related Stress" (the "**Resolution Framework 1.0**"). Pursuant to the Resolution Framework 1.0, starting September 7, 2020, all lending institutions are required to mandatorily consider certain specified key ratios while finalising the resolution plans in respect of eligible borrowers (in terms of the Resolution Framework 1.0). Additionally, on May 5, 2021 the RBI notified the "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" (the "**Resolution Framework 2.0**"), providing a window for lenders to implement resolution plans with the objective of alleviating the potential stress to individual borrowers and small businesses.

Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024.

As prescribed, reports on incidents of theft, burglary, dacoity and robbery are to be submitted to NHB in the manner and in returns / formats as prescribed by NHB.

The Master Directions apply to all Non-Banking Financial Companies (including HFCs) in the Upper Layer, Middle Layer and in the Base Layer (with asset size of ₹500 crore and above).

HFCs are required to have their Board of Directors approve a fraud risk management policy delineating responsibilities of the Board/Board committees and senior management. The policy shall *inter alia* contain measures towards prevention, early detection, investigation, staff accountability, monitoring, recovery and reporting of frauds. All HFCs must issue detailed show cause notices to those against whom allegations of fraud are being examined and provide them not less than 21 days to respond to the show cause notice. A reasoned order shall be served at the time of classification of the account as fraud or otherwise. HFCs shall also constitute a Special Committee of the Board for Monitoring and Follow-up of cases of Frauds' ("**SCBMF**") headed by an independent director. HFCs categorised as NBFC-ML for regulatory purposes, shall have the option of constituting a committee of the executives with a minimum of three members, at least one of whom shall be a whole-time director or equivalent rank official for the purpose of performing the roles and responsibilities of SCBMF as required under these Master Directions.

HFCs in the Upper Layer and Middle Layer ("**NBFCs – UL & ML**") shall have a framework for Early Warning Signals ("**EWS**") under the overall fraud risk management policy. The EWS Framework shall provide for integration with core banking solution or other operational systems, initiation of remedial action on triggers / alerts from EWS System in a timely manner, and periodic review of credit sanction and monitoring processes. A Board level committee/ Committee of executives shall oversee the effectiveness of the framework for EWS.

HFCs must immediately report the incidents of fraud to appropriate law enforcement agencies. HFCs must investigate for fraud before transferring the loan account / credit facility to other lenders / Asset Reconstruction Companies ("**ARCs"**). Where fraud it detected, HFCs must report it to NHB before selling the accounts. Also, HFCs shall report instances of theft, burglary, dacoity and robbery (including attempted cases), to NHB in the manner and in returns / formats as prescribed by NHB.

Miscellaneous

CLSS and Pradhan Mantri Awas Yojana:

The CLSS aims at expanding institutional credit flow to the housing needs of the urban poor, by providing credit-linked subsidy on home loans taken by eligible urban poor for acquisition or construction of houses. The scheme is governed by the PMAY – Housing for All (Urban) issued by the MoHUPA, GoI in March 2016. Individuals belonging to the economically weaker sections ("**EWS**") and the low income group ("**LIG**") seeking housing loans from PLIs, including banks and HFCs, are eligible to avail benefits under the scheme. EWS and LIG households are defined as households having an annual income up to ₹3 lakhs, and annual income between ₹3 lakhs and ₹6 lakhs, respectively. NHB been nominated by the MoHUPA as a Central Nodal Agency under the CLSS, to channelize the subsidy to PLIs and to monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. The CLSS has been implemented through four verticals, namely, (i) "In situ" slum redevelopment; (ii) affordable housing through credit linked subsidy; (iii) affordable housing in partnership; and (iv) subsidy for beneficiary-led individual house construction or enhancement.

Inspection:

In terms of the NHB Act, the NHB has the power to direct housing finance institutions which are companies, to furnish to the NHB and the RBI such statements, information or particulars as may be specified by the NHB. The NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any HFC for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so.

Reporting:

In addition to the financial reporting requirements, such as submissions of copies of balance sheet and accounts together with the directors' report to the NHB, as prescribed under the RBI Master Directions, pursuant to the Revised HFC Framework, reporting requirements in relation to monitoring of frauds shall be governed in terms of Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies), 2024.

Foreign Investments in HFCs:

Foreign investment in our Company is governed primarily by the FEMA, the rules made thereunder, read with the Consolidated FDI Policy and the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended. Up to 100% foreign investment under the automatic route is currently permitted in "Other Financial Services", which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions specified by the concerned regulator (in our case, the IRDAI and the RBI), if any.

Other applicable laws:

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

Shops and establishments regulations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour laws

India has stringent labour related legislations. Our Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual property regulations

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

Sr. No.	Particulars	Page Nos.
1.	Unaudited Consolidated Interim Condensed Financial Statements	F-1
2.	Unaudited Standalone Interim Condensed Financial Statements	F-23
3.	Audited Consolidated Financial Statements for Fiscal 2024	F-44
4.	Audited Standalone Financial Statements for Fiscal 2024	F-119
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Report on Review of Interim Financial Information

Review Report to
The Board of Directors
IIFL Home Finance Limited

Introduction

1. We have reviewed the accompanying consolidated condensed interim balance sheet of IIFL Home Finance Limited (the "Company") and its subsidiary (together referred as the "Group") as of September 30, 2024 and the related consolidated condensed interim statement of profit & loss (including Other Comprehensive Income), the consolidated condensed interim statement of cash flows and the consolidated condensed interim statement of changes in equity for the six-month period then ended along with summary of the selected explanatory notes (together hereinafter referred to as the "Consolidated Interim condensed Ind AS Financial Statements").

2. Management is responsible for the preparation and presentation of this interim financial information in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

3. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies.

Other Matters

5. This Consolidated Interim condensed Ind AS Financial Statements includes the unaudited financial information, in respect of 1 subsidiary, whose unaudited financial information reflects total assets of Rs. 28.30 crores as at September 30, 2024, total revenues of Rs. 9.55 crores, total net loss after tax of Rs. 11.79 crores, total comprehensive loss of Rs. 11.75 crores for the half year ended September 30, 2024, and net cash outflows of Rs. 8.29 crores for the half year ended September 30, 2024, as considered in Consolidated Interim condensed Ind AS Financial Statements which have been reviewed by one of the joint auditors of the Company i.e. Sundaram & Srinivasan and whose reports have been furnished to other Joint auditors i.e S.R. Batliboi & Associates LLP by the Management and their conclusion on the Consolidated Interim condensed Ind AS Financial

Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is solely based on the reports of one of the joint auditors i.e. Sundaram & Srinivasan.

6. The comparative financial information of the Group for the corresponding half year ended September 30, 2023 and corresponding year ended March 31, 2024, included in these Consolidated Interim condensed Ind AS Financial Statements, were reviewed and audited by one of the joint auditors i.e. S.R. Batliboi & Associates LLP jointly with Suresh Surana & Associates LLP (predecessor joint auditors) who expressed unmodified conclusion and opinion on those financial information on October 17, 2023 and May 6, 2024 respectively.

7. Our review's report is intended solely in connection with the proposed offering of secured redeemable non-convertible debentures and should not be used for any purposes other than mentioned above.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXMY8479

Place: Gurugram
Date: November 21, 2024

For Sundaram & Srinivasan
Chartered Accountants
ICAI Firm registration number: 004207S

P Menakshi Sundaram
Partner
Membership No.: 217914
UDIN: 24217914BKBPEJ2357

Place: Chennai
Date: November 21, 2024

IIFL HOME FINANCE LIMITED
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2024

(₹ in Crores)

Sr. no.	Particulars	Note no.	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents		445.32	781.71
(b)	Bank balance other than (a) above		490.99	299.23
(c)	Derivative financial instruments		4.37	-
(d)	Receivables			
	(i) Trade receivables		33.48	48.18
(e)	Loans	3	22,868.29	23,114.10
(f)	Investments		216.48	582.08
(g)	Other financial assets		614.09	488.50
(2)	**Non-financial Assets**			
(a)	Current tax assets (net)		23.55	20.56
(b)	Deferred tax Assets (net)		8.81	35.95
(c)	Investment property		2.09	2.16
(d)	Property, plant and equipment		7.20	7.61
(e)	Intangible asset under development		0.18	0.34
(f)	Other intangible assets		0.75	0.56
(g)	Right of use assets		77.26	57.52
(h)	Other non-financial assets		10.37	8.22
	Total Assets		**24,803.23**	**25,446.72**
	LIABILITIES AND EQUITY			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments		-	2.61
(b)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		5.96	3.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		51.93	67.97
(c)	Lease liabilities		81.63	63.26
(d)	Debt securities		3,738.95	3,613.04
(e)	Borrowings (other than debt securities)		12,312.07	13,033.18
(f)	Subordinated liabilities		816.52	1,037.38
(g)	Other financial liabilities		588.79	1,052.18
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		7.69	4.85
(b)	Provisions		32.60	31.04
(c)	Deferred tax liabilities (net)		4.23	-
(d)	Other non-financial liabilities		132.65	100.04
(3)	**Equity**			
(a)	Equity share capital		26.34	26.34
(b)	Other equity		7,003.87	6,411.71
	Total Liabilities and Equity		**24,803.23**	**25,446.72**
The accompanying notes are an integral part of the Consolidated Interim Condensed Ind As Financial Statement		**1-16**		

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number 004207S

For and on behalf of the Board of Directors of IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

Place: Gurugram
Date: November 21, 2024

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME) FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(₹ in Crores except otherwise stated)

Sr. no.	Particulars	Note no.	Half year ended September 30, 2024 Unaudited	Half year ended September 30, 2023 Unaudited
(I)	**Revenue from operations**			
(i)	Interest income	4	1,626.31	1,387.12
(ii)	Fees and commission income	5	120.09	98.82
(iii)	Net gain on fair value changes		4.18	7.37
(iv)	Net gain on derecognition of financial instruments under FVTOCI		124.06	-
(I)	**Total Revenue from operations**		**1,874.64**	**1,493.31**
(II)	**Other income**		8.66	98.14
(III)	**Total Income (I+II)**		**1,883.30**	**1,591.45**
	Expenses			
(i)	Finance costs		730.49	641.88
(ii)	Net loss on derecognition of financial instruments under FVTOCI		-	28.66
(iii)	Impairment on financial instruments	6	101.30	61.36
(iv)	Employee benefits expenses		237.48	164.30
(v)	Depreciation, amortization and impairment		15.71	11.99
(vi)	Other expenses		80.12	67.03
(IV)	**Total Expenses**		**1,165.10**	**975.22**
(V)	**Profit before tax (III-IV)**		**718.20**	**616.23**
	Tax Expense:			
	(i) Current tax		133.90	148.62
	(ii) Deferred tax		30.89	(9.16)
(VI)	**Total Tax Expense**		**164.79**	**139.46**
(VII)	**Profit for the period (V-VI)**		**553.41**	**476.77**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain/ (loss) of defined benefit liabilities/(assets)		(0.80)	(0.43)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.20	0.11
	Subtotal (A)		**(0.60)**	**(0.32)**
	B (i) Items that will be reclassified to profit or loss			
	(a) Net movement on effective portion of cash flow hedge		7.53	(2.41)
	(b) Fair value of loans carried at fair value through other comprehensive income		(4.83)	(4.75)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(0.68)	1.80
	Subtotal (B)		**2.02**	**(5.36)**
	Other Comprehensive Income (A+B)		**1.42**	**(5.68)**
(IX)	**Total Comprehensive Income for the period (VII+VIII)**		**554.83**	**471.09**
	Profit for the period attributable to:			
	Shareholders of the company		**553.41**	**476.77**
	Non controlling interest		**-**	**-**
	Other Comprehensive Income for the period attributable to:			
	Shareholders of the company		**1.42**	**(5.68)**
	Non controlling interest		**-**	**-**
	Total Comprehensive Income for the period attributable to:			
	Shareholders of the company		**554.83**	**471.09**
	Non controlling interest		**-**	**-**
(X)	**Earnings per equity share of face value Rs. 10 each (not annualized)**	7		
	Basic (₹)		210.06	180.97
	Diluted (₹)		207.59	180.97
The accompanying notes are an integral part of the Consolidated Interim Condensed Ind As Financial Statement		**1-16**		

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number:
004207S

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

Place: Gurugram
Date: November 21, 2024

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

IIFL HOME FINANCE LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(₹ in Crores)

Particulars	As at September 30, 2024 Unaudited	As at September 30, 2023 Unaudited
Cash Flows from Operating Activities		
Profit before tax	**718.20**	**616.23**
Adjustments for:		
Depreciation and amortization	15.71	11.99
Impairment on financial instruments - loans	30.89	1.13
Finance costs	730.49	641.88
Interest on loans	(1,624.76)	(1,384.95)
Net (gain)/loss on derecognition of financial instruments	(124.06)	28.66
Net (gain)/loss on fair value changes	(4.18)	(7.37)
Net (gain)/loss on sale of assets	0.00	(0.00)
Interest paid on borrowings	(785.91)	(605.02)
(Gain)/loss on termination of lease	(0.41)	(0.43)
Interest received on loans	1,560.16	1,365.74
Employee share based payment expenses	37.34	-
Operating Profit before Working Capital changes	**553.47**	**667.85**
Changes in Working Capital:		
(Increase)/decrease in Other Financial assets	1.00	(10.81)
(Increase)/decrease in Trade Receivables	11.94	(3.48)
(Increase)/decrease in Other Non Financial assets	(2.48)	(2.60)
(Increase)/decrease in Balances with banks - Lien marked	(5.75)	0.13
(Increase)/decrease in Loans	272.60	(2,242.16)
Increase/(decrease) in Trade Payables	(12.90)	1.70
Increase/(decrease) in Other financial liabilities	(463.31)	146.38
Increase/(decrease) in Other non-financial liabilities	33.50	(150.99)
Increase/(decrease) in Provisions	(0.21)	1.51
Operating Profit after Working Capital changes	**387.86**	**(1,592.47)**
Direct Taxes Paid	**(134.04)**	**(141.56)**
Net cash generated from/(used in) Operating Activities (A)	**253.82**	**(1,734.03)**
Cash flow from Investing Activities		
Purchase of property, plant and equipment (including intangible assets)	(3.32)	(3.22)
Proceeds from sale of property, plant and equipment	0.84	0.52
Investment in Fixed deposits	(1,390.16)	(2,956.16)
Proceeds from redemption of Fixed deposits	1,203.39	3,021.47
Purchase of investments	(1,384.93)	(4,516.67)
Proceeds from sale of investments	1,757.20	4,858.88
Net Cash from / (used in) Investing Activities (B)	**183.02**	**404.82**
Cash flow from Financing Activities		
Proceeds from Borrowings	1,328.70	2,969.20
Repayment of Borrowings	(2,141.81)	(3,389.00)
Proceeds from issue of debt and Sub-ordinated debt securities	300.00	1,140.00
Repayment of debt and Sub-ordinated debt securities	(243.55)	(95.95)
Payment of interest on lease liabilities	(3.24)	(2.87)
Principal payment of lease liabilities	(13.32)	(6.68)
Net Cash from/(used in) Financing Activities (C)	**(773.22)**	**614.70**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(336.38)**	**(714.51)**
Cash and cash equivalents as at the beginning of the period	781.70	1,635.21
Cash and cash equivalents as at the end of the period	**445.32**	**920.70**
The accompanying notes are an integral part of the Consolidated Interim Condensed Ind As Financial Statement		

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number:
004207S

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

Place: Gurugram
Date: November 21, 2024

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

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Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

IIFL HOME FINANCE LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

A. Equity Share Capital
1. As at September 30, 2024

(₹ in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
26.34	-	-	-	26.34

2. As at September 30, 2023

(₹ in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
26.34	-	-	-	26.34

B. Other Equity
1. As at September 30, 2024

(₹ in Crores)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting period	**1.35**	**2,969.65**	**143.86**	**766.47**	**2,502.82**	**19.77**	**(0.13)**	**7.90**	**6,411.71**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**1.35**	**2,969.65**	**143.86**	**766.47**	**2,502.82**	**19.77**	**(0.13)**	**7.90**	**6,411.71**
Profit for the period	-	-	-	-	553.41	-	-	-	**553.41**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note A)	-	-	-	-	-	-	5.64	-	**5.64**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(3.61)	**(3.61)**
Remeasurement of defined benefit (Net of Tax) (Refer Note B)	-	-	-	-	(0.60)	-	-	-	**(0.60)**
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**552.81**	**-**	**5.64**	**(3.61)**	**554.84**
Additions during the period (Refer Note D)	-	-	-	-	-	37.34	-	-	**37.34**
Transfer to Special Reserve (Refer Note C)	-	-	-	135.00	(135.00)	-	-	-	**-**
Balance at the end of the Current reporting period	**1.35**	**2,969.65**	**143.86**	**901.47**	**2,920.63**	**57.11**	**5.51**	**4.29**	**7,003.87**

IIFL HOME FINANCE LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

2. As at September 30, 2023

(₹ in Crores)

Particulars		Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting period	**1.35**	**2,969.65**	**143.86**	**561.07**	**1,837.18**	**-**	**5.57**	**9.09**	**5,527.77**
Changes in accounting policy/prior period errors		-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**1.35**	**2,969.65**	**143.86**	**561.07**	**1,837.18**	**-**	**5.57**	**9.09**	**5,527.77**
Profit for the period	-	-	-	-	476.77	-	-	-	**476.77**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note A)	-	-	-	-	-	-	(1.80)	-	**(1.80)**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(3.56)	**(3.56)**
Remeasurement of defined benefit (Net of Tax) (Refer Note B)	-	-	-	-	(0.32)	-	-	-	**(0.32)**
Total Comprehensive Income for the period	**-**	**-**	**-**	**-**	**476.45**	**-**	**(1.80)**	**(3.56)**	**471.09**
Transfer to Special Reserve (Refer Note C)	-	-	-	96.70	(96.70)	-	-	-	-
Balance at the end of the Previous reporting period	**1.35**	**2,969.65**	**143.86**	**657.77**	**2,216.93**	**-**	**3.77**	**5.53**	**5,998.86**

A. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
B. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
C. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.
D. The Share Option Outstanding Account represents reserve created in respect of equity settled share options granted to the employees of the Company.

The accompanying notes are an integral part of the Consolidated Interim Condensed Ind As Financial Statement

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number:
004207S

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

P Menakshi Sundaram
Partner
Membership No: 217914

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

Place: Gurugram
Date: November 21, 2024

Place: Chennai
Date: November 21, 2024

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 1. Corporate Information - IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance Limited. IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with and RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The Company is classified under "Middle Layer" pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale based Regulation) Directions, 2023 dated October 19, 2023 as amended from time to time. The redeemable and non-convertible debentures of the company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company's registered office is at Sun Infotech Park, Road No. 16V, Plot No. B-23 Thane Industrial Area, Wagle Estate, Thane - 400604.

2. **Basis of Preparation**: The Unaudited Consolidated Interim condensed Ind AS Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) - 34 'Interim Financial Reporting' notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India ("RBI") to the extent applicable.

Accounting policies applied by the Company for preparation of these Consolidated Interim condensed Ind AS Financial Statements are consistent with those adopted for preparation of consolidated financial statements of the Company as at and for the year ended March 31, 2024 and have been prepared on a going concern basis. The Unaudited Consolidated Condensed Interim Balance Sheet, the Unaudited Consolidated Condensed Interim Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Unaudited Consolidated Condensed Interim Statement of Changes in Equity and selected disclosures are presented in the format prescribed under Division III of Schedule III of the companies Act. The Unaudited Consolidated Condensed Interim Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Consolidated Interim condensed Ind AS Financial Statements have been prepared under the historical cost convention and on accrual basis, except for certain financial instruments being measured at fair value. These Consolidated Interim condensed Ind AS Financial Statements are presented in Indian Rupees (INR)/(Rs.), which is also its functional currency and all values are rounded in crores up to two decimals thereof except when otherwise stated. These Consolidated Interim condensed Ind AS Financial Statements have been prepared for the period April 1, 2024 to September 30, 2024 solely in connection with the proposed offering of secured redeemable non-convertible debentures and are being authorised with a resolution of the Board of Directors on November 21, 2024.

i.Control and Significant Influence

Control is achieved when the Company has all the following:

•Power over the investee
•Is exposed or has rights to variable returns from its involvement with the investee, and
•Has the ability to use its power over investee to affect its returns

Significant Influence
Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

ii.Principles of consolidation:

A. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

B. The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

C. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2024, or till the date significant influence exist.

D. The consolidated financial statements of the Group with subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income, and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

E. The investment in associate is accounted for using the equity method of accounting in consolidated financial statement. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments.

F. The excess of cost to the Group of its investments in the subsidiary and associate companies over its share of equity of the subsidiary and associate companies, at the dates on which the investments in the subsidiary and associate companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

iii.List of subsidiary consolidated

Name of the entity	Relationship	Date of Control /Significant influence	Proportion of Ownership Interest (%)
			As at June 30, 2024
IIHFL Sales Limited	Subsidiary	September 28, 2021,	100%

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 3. Loans

(₹ in Crores)

Particulars	As at September 30, 2024			
	Amortised cost	FVTOCI	FVTPL	Total
	1	2	3	(3=1+2)
Loans				
(A)				
(i) Term loans	19,674.46	3,244.22	349.99	23,268.67
Total (A) - Gross	**19,674.46**	**3,244.22**	**349.99**	**23,268.67**
Less: Impairment loss allowance	(387.89)	(12.49)	-	(400.38)
Total (A) - Net	**19,286.57**	**3,231.73**	**349.99**	**22,868.29**
(B)				
(i) Secured by tangible assets	19,634.46	3,244.22	-	22,878.68
(ii) Secured by Government Guarantee	35.85	-	349.99	385.84
(iii) Unsecured	4.15	-	-	4.15
Total (B) - Gross	**19,674.46**	**3,244.22**	**349.99**	**23,268.67**
Less: Impairment loss allowance	(387.89)	(12.49)	-	(400.38)
Total (B) - Net	**19,286.57**	**3,231.73**	**349.99**	**22,868.29**
(C)				
(I) Loans in India	**19,674.46**	**3,244.22**	**349.99**	**23,268.67**
(i) Public sector	-	-	-	-
(ii) Other than Public sector	19,674.46	3,244.22	349.99	23,268.67
Less: Impairment loss allowance	(387.89)	(12.49)	-	(400.38)
Total (C) -(I) Net	**19,286.57**	**3,231.73**	**349.99**	**22,868.29**
(II) Loans outside India				
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)	-	-	-	-
Total C (I) and C (II)	**19,286.57**	**3,231.73**	**349.99**	**22,868.29**

(₹ in Crores)

Particulars	As at March 31, 2024			
	Amortised cost	FVTOCI	FVTPL	Total
	1	2	3	(3=1+2)
Loans				
(A)				
(i) Term loans	19,656.78	3,828.32	-	23,485.10
Total (A) - Gross	**19,656.78**	**3,828.32**	**-**	**23,485.10**
Less: Impairment loss allowance	(353.53)	(17.47)	-	(371.00)
Total (A) - Net	**19,303.25**	**3,810.85**	**-**	**23,114.10**
(B)				
(i) Secured by tangible assets	19,593.36	3,828.32	-	23,421.68
(ii) Secured by Government Guarantee	57.30	-		57.30
(iii) Unsecured	6.12	-		6.12
Total (B) - Gross	**19,656.78**	**3,828.32**	**-**	**23,485.10**
Less: Impairment loss allowance	(353.53)	(17.47)	-	(371.00)
Total (B) - Net	**19,303.25**	**3,810.85**	**-**	**23,114.10**
(C)				
(I) Loans in India	**19,656.78**	**3,828.32**	**-**	**23,485.10**
(i) Public sector	-	-	-	-
(ii) Others	19,656.78	3,828.32	-	23,485.10
Less: Impairment loss allowance	(353.53)	(17.47)	-	(371.00)
Total (C) - Net	**19,303.25**	**3,810.85**	**-**	**23,114.10**
(II)Loans outside India				
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)	-	-	-	-
Total C (I) and C (II)	**19,303.25**	**3,810.85**	**-**	**23,114.10**

The above Term Loans includes ₹ 286.19 Crores (As At March 31, 2024 ₹ 229.19 Crores) towards interest accrued and overdues, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Unsecured represents term loans of ₹ 4.15 Crores (As At March 31, 2024, ₹ 6.12 Crores) amount where in the exposure exceeds the collateral value.

c. The Group has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either individually or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the period.

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 4. Interest Income

(₹ in Crores)

Particulars	Half year ended September 30, 2024 Unudited On Financial Assets measured at			
	FVTOCI	Amortised Cost	FVTPL	Total
Interest on Loans	260.28	1,333.21	8.19	1,601.68
Interest income from investments	-	6.54	7.30	13.84
Interest on deposits with Banks	-	10.79	-	10.79
Total	**260.28**	**1,350.54**	**15.49**	**1,626.31**

(₹ in Crores)

Particulars	Half year ended September 30, 2023 Unudited On Financial Assets measured at			
	FVTOCI	Amortised Cost	FVTPL	Total
Interest on Loans	164.67	1,130.35	16.07	1,311.09
Interest income from investments	-	16.24	9.79	26.03
Interest on inter corporate deposits	-	24.53	-	24.53
Interest on deposits with Banks	-	25.47	-	25.47
Total	**164.67**	**1,196.59**	**25.86**	**1,387.12**

Note 5. Fees and Commission Income

(₹ in Crores)

Particulars	Half year ended September 30, 2024	Half year ended September 30,
Fees & Other Charges*	55.89	54.71
Insurance and distribution commission	64.20	44.11
Total	**120.09**	**98.82**

* Includes fee and charges in the nature of service fee, foreclosure, etc.

Note 6. Impairment on Financial Instruments, including write-offs

(₹ in Crores)

Particulars	Half year ended September 30, 2024 Unudited On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	(4.98)	33.36	**28.38**
Receivables	-	0.01	**0.01**
Investments	-	2.50	**2.50**
Bad debts written off (Net of recovery)	-	70.41	**70.41**
Total	**(4.98)**	**106.28**	**101.30**

(₹ in Crores)

Particulars	Half year ended September 30, 2023 Unudited On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	(3.53)	11.08	**7.55**
Receivables	-	(6.42)	**(6.42)**
Bad debts written off (Net of recovery)	-	60.23	**60.23**
Total	**(3.53)**	**64.89**	**61.36**

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 7. Earnings Per Share:

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

(₹ in Crores except per share data)

Particulars		Half year ended September 30, 2024 Unaudited	Half year ended September 30, 2023 Unaudited
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax	A	553.41	476.77
Weighted Average Number of Equity Shares Outstanding	B	2,63,44,638	2,63,44,638
Basic EPS (In ₹)	**A/B**	**210.06**	**180.97**
DILUTED			
Weighted Average Number of Equity Shares for computation of basic EPS		2,63,44,638	2,63,44,638
Weighted Average Number of Equity shares for computation of diluted EPS		2,63,44,638	2,63,44,638
Add: Potential equity shares on account conversion of Employees Stock Options		3,14,533	-
Weighted average number of equity shares for computation of diluted EPS	**C**	**2,66,59,171**	**2,63,44,638**
Diluted EPS (In ₹)	**A/C**	**207.59**	**180.97**

The basic earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares for the respective periods; whereas the diluted earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options.

Note : 8 Employee Stock Option

During the half year ended September 2024, 2,36,611 equity share options were granted to eligible employees under the IIFL ESOP Plan - 2022. The exercise price of these options is of 1,338. The options will vest based on meeting the performance criteria established by the Company as per vesting schedule and vesting rate. All these options will vest with minimum vesting period of 1 year and maximum vesting period of 4 years having Graded vesting @25% for eligible employees (vesting ratio 25:25:25:25).

As per ESOP plan, the vested options can be exercised by the option grantees only in connection with or upon happening of a Liquidity Event and within such period as prescribed by board in this regard. The fair value at grant date is estimated using a black scholes model, taking into account the terms and conditions upon which the options were granted. The expected life of each option granted is four years. There is no cash settlement of the options. The fair value of options granted during the half year ended September 30, 2024 was estimated on the date of grant using the following assumptions: Dividend yield (%) 0.98% Expected volatility (%) 50% Risk-free interest rate (%) 7.18% Expected life of share options (years) 4 Years Weighted average share price (₹) ₹ 4007.49. The weighted average fair value of the options granted during the half year ended September 30, 2024 was ₹ 2,923.78 (September 30, 2023: ₹ Nil).

For the half year ended September 30, 2024, the Company has recognised Rs. ₹ 37.34 crores of share-based payment expense in the statement of profit or loss (September 30, 2023: NIL).

During the half year ended September 2024, the Company has granted 1,55,129 number of ESOP's to Key Managerial Personnal.

Note 9. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 2,681.98 Crores. (As at March 31, 2024 ₹ 3,262.11 Crores.);

(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 0.47 Crores (As at March 31, 2024 ₹ 0.54 Crores).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.20 Crores (As at March 31, 2024 ₹ 0.15 Crores);

(ii) Contingent liability on account of Income Tax Dispute is ₹ 7.28 Crores (As at March 31, 2024 ₹ 7.28 Crores) - The Company has filed appeal against the said demand;

(iii) Contingent liability on account of GST Dispute is ₹ 0.95 Crores (As at March 31, 2024 ₹ 0.76 Crores) -The Company has filed appeal against the said demand and has deposited ₹ 0.04 Crores (As at March 31, 2024 0.04 Crores) under protest;

(iv) Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 79.93 Crores and ₹ 23.34 Crores respectively (As at March 31, 2024 ₹ 79.91 Crores and ₹ 23.34 Crores).

Note 10. Disclosure as per Ind AS -108 “Operating Segments”

The Company's main business is financing by way of loans for the purchase or construction of residential houses, loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on ‘Operating Segments’.

Note 11. Significant events after Reporting Period

There are no significant events that have occurred subsequent to September 30, 2024 that are required to be disclosed pursuant to the requirement of Ind AS 34.

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 12. The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.
Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening EAD March 31, 2024	**21,810.72**	**3,346.49**	**1,128.69**	**86.19**	**342.88**	**(2.70)**	**23,282.29**	**3,429.98**
New Loans Disbursed during the year	3,566.03	794.35	4.83	(0.59)	0.05	(0.66)	**3,570.91**	**793.10**
Loan derecognised/repaid in part or full	(3,978.46)	(1,316.43)	(105.06)	(2.76)	(17.11)	(16.65)	**(4,100.63)**	**(1,335.84)**
Loans written off	(13.92)	(4.26)	(7.44)	(2.16)	(70.77)	0.36	**(92.13)**	**(6.06)**
Movement in Stages								
From Stage 1	(735.42)	(77.50)	690.76	70.86	44.66	6.64	-	-
From Stage 2	152.70	12.96	(264.45)	(22.14)	111.75	9.18	-	-
From Stage 3	29.88	(0.18)	11.60	(0.04)	(41.48)	0.22	-	-
Closing EAD September 30, 2024	**20,831.53**	**2,755.43**	**1,458.93**	**129.36**	**369.98**	**(3.61)**	**22,660.44**	**2,881.18**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,623.18 Crores (As at March 31, 2024 ₹ 3,227.17 Crores)

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening EAD March 31, 2023	**16,623.25**	**2,189.02**	**1,044.75**	**70.53**	**387.45**	**(1.39)**	**18,055.45**	**2,258.16**
New Loans Disbursed during the year	11,746.48	2,353.75	91.57	6.78	9.85	(0.76)	**11,847.90**	**2,359.77**
Loan derecognised/repaid in part or full	(5,990.67)	(1,146.89)	(212.53)	(5.14)	(139.82)	(22.08)	**(6,343.02)**	**(1,174.11)**
Loans written off	(177.34)	(7.35)	(22.21)	(6.97)	(78.49)	0.48	**(278.04)**	**(13.84)**
Movement in Stages								
From Stage 1	(778.18)	(64.91)	637.48	53.11	140.70	11.80	-	-
From Stage 2	336.22	23.08	(427.46)	(32.08)	91.24	9.00	-	-
From Stage 3	50.96	(0.21)	17.09	(0.04)	(68.05)	0.25	-	-
Closing EAD March 31, 2024	**21,810.72**	**3,346.49**	**1,128.69**	**86.19**	**342.88**	**(2.70)**	**23,282.29**	**3,429.98**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 3,227.17 Crores (As at March 31, 2023 ₹ 2,098.41 Crores)

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Loss Allowances (₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening ECL March 31, 2024	**109.06**	**16.65**	**116.42**	**20.24**	**102.71**	**73.02**	**328.19**	**109.91**
New Loans Disbursed during the year	10.07	2.77	0.59	0.16	0.02	-	**10.68**	**2.93**
Loan derecognised/repaid in part or full	(40.78)	(7.12)	51.49	13.98	41.07	(76.44)	**51.80**	**(69.56)**
Loans written off	(0.97)	(0.04)	(3.64)	(0.60)	(28.28)	-	**(32.89)**	**(0.64)**
Movement in Stages								
From Stage 1	(10.11)	(1.39)	9.31	1.27	0.80	0.12	-	-
From Stage 2	13.70	2.30	(27.35)	(5.60)	13.65	3.30	-	-
From Stage 3	9.26	-	3.49	-	(12.75)	-	-	-
Closing ECL September 30, 2024	**90.23**	**13.17**	**150.31**	**29.45**	**117.22**	**0.00**	**357.78**	**42.64**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 10.98 Crores (As at March 31, 2024 ₹ 13.89 Crores).

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening ECL March 31, 2023	**243.90**	**20.53**	**112.81**	**7.27**	**103.63**	**72.99**	**460.34**	**100.79**
New Loans Disbursed during the year	40.48	9.69	11.19	2.81	2.73	-	**54.40**	**12.50**
Loan derecognised/repaid in part or full	(169.12)	(14.02)	27.92	13.29	52.13	(1.30)	**(89.07)**	**(2.03)**
Loans written off	(33.25)	(0.63)	(12.83)	(0.72)	(51.40)	-	**(97.48)**	**(1.35)**
Movement in Stages								
From Stage 1	(16.52)	(0.75)	13.20	0.60	3.32	0.15	-	-
From Stage 2	30.24	1.83	(40.25)	(3.01)	10.01	1.18	-	-
From Stage 3	13.33	-	4.38	-	(17.71)	-	-	-
Closing ECL March 31, 2024	**109.06**	**16.65**	**116.42**	**20.24**	**102.71**	**73.02**	**328.19**	**109.91**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 13.89 Crores (As at March 31, 2023 ₹ 18.88 Crores).

Note 13. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The tables shown subsequently in Note 14 is disclosing the fair value of all instruments measured at fair value through profit or loss or fair value through OCI or amortized cost. With respect to Bank balances and cash and cash equivalents, Trade receivables , Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities, the carrying value approximates the fair value

The following table shows an analysis of financial instruments:

(₹ in Crores)

Particulars	As at September 30, 2024 (Unaudited)		
	FVTPL	FVTOCI	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	445.32
Bank balance other than cash and cash equivalents	-	-	490.99
Derivative financial instruments	-	4.37	-
Receivables	-	-	
(i) Trade receivables	-	-	33.48
Loans	349.99	3,231.73	19,286.57
Investments	112.51	-	103.97
Other financial assets	-	-	614.09
Total financial assets	**462.50**	**3,236.10**	**20,974.42**
Financial liabilities			
Derivative financial instruments	-	-	-
Trade payables	-	-	57.89
Lease liabilities	-	-	81.63
Debt securities	-	-	3,738.95
Borrowings (other than debt securities)	-	-	12,312.07
Subordinated liabilities	-	-	816.52
Other financial liabilities	-	-	588.79
Total financial liabilities	-	**-**	**17,595.85**

(₹ in Crores)

Particulars	As at March 31, 2024 (Audited)		
	FVTPL	FVTOCI	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	781.71
Bank balance other than cash and cash equivalents	-	-	299.23
Receivables			
(i) Trade receivables	-	-	48.18
Loans	-	3,810.85	19,303.25
Investments	401.60	-	180.48
Other financial assets	-	-	488.50
Total financial assets	**401.60**	**3,810.85**	**21,101.35**
Financial liabilities			
Derivative financial instruments	-	2.61	-
Trade payables	-	-	71.09
Lease liabilities	-	-	63.26
Debt securities	-	-	3,613.04
Borrowings (other than debt securities)	-	-	13,033.18
Subordinated liabilities	-	-	1,037.38
Other financial liabilities	-	-	1,052.18
Total financial liabilities	-	**2.61**	**18,870.13**

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 14. Financial instruments measured at fair value – Fair value hierarchy

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

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

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at September 30, 2024 (Unaudited)				
Financial assets				
Loans at FVTOCI	-	-	3,231.73	3,231.73
Loans at FVTPL	349.99	-	-	349.99
Investments	-	-	-	-
(i) Debt Securities, Security Receipts and G-Sec	112.51	-	-	112.51
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		4.37		4.37
Total financial assets	**462.50**	-	**3,231.73**	**3,698.60**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2024 (Audited)				
Financial assets				
Loans at FVTOCI	-	-	3,810.85	3,810.85
Investments				
(i) Alternate Investment Fund and Debt Securities	401.60	-	-	401.60
Total financial assets	**401.60**	**-**	**3,810.85**	**4,212.45**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	2.61	-	2.61
Total financial liabilities	**-**	**2.61**	**-**	**2.61**

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

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at September 30, 2024 (Unaudited)**	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	19,286.36	19,286.57	Level 3
Investments			
(i) In other securities	103.97	103.97	Level 1 /Level 3
Total financial assets	**19,390.33**	**19,390.54**	
Financial liabilities			
Debt securities	3,652.85	3,738.95	Level 3
Subordinated liabilities	805.96	816.52	Level 3
Total financial liabilities	**4,458.81**	**4,555.47**	

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at March 31, 2024 (Audited)**	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	19,301.38	19,303.25	Level 3
Investments			
(i) In other securities	181.63	180.48	Level 1 /Level 3
Total financial assets	**19,483.01**	**19,483.73**	
Financial liabilities			
Debt securities	3,479.24	3,613.04	Level 3
Subordinated liabilities	1,029.13	1,037.38	Level 3
Total financial liabilities	**4,508.37**	**4,650.42**	

With respect to Bank balances and cash and cash equivalents, Trade receivables , Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities, the carrying value approximates the fair value

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and liabilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, lease liabilities, borrowings and other financial assets & liabilities.

Note 14A. Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing net amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Crores)

Particulars	Loans - FVTOCI	
	As at September 30, 2024	As at March 31, 2024
Opening Balance	3,810.85	2,829.19
Loans derecognised during the period/year	(2,193.63)	(2,485.19)
Loans originated (net)	1,614.51	3,466.85
Closing Balance	**3,231.73**	**3,810.85**

Note 15. Movement of borrowing:

(₹ in Crores)

Particulars	As at March 31, 2024	Cash flows	Others*	As at September 30, 2024
Debt securities (Including subordinated liabilities)	4,650.42	56.45	(151.40)	4,555.47
Borrowings (other than debt securities)	13,033.18	(813.11)	92.00	12,312.07
Total Liabilities from Financial Activities	**17,683.60**	**(756.66)**	**(59.40)**	**16,867.54**

(₹ in Crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt securities (Including subordinated liabilities)	3,332.53	1,248.10	69.79	4,650.42
Borrowings (other than debt securities)	11,620.67	1,456.20	(43.69)	13,033.18
Total Liabilities from Financial Activities	**14,953.20**	**2,704.30**	**26.10**	**17,683.60**

**Includes the effect of amortisation of borrowing cost, interest accrued on borrowings, exchange differences and conversion factor of derivative instruments.*

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

16A. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the half year ended September 30, 2024

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Capital Services Limited (Formerly IIFL Securities Limited)
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited) (ceased w.e.f. July 11, 2024)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited) (ceased w.e.f. July 11, 2024)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Non-Executive Director
	Mr. AK Purwar - Independent Director (ceased w.e.f. March 31, 2024)
	Mr. Kranti Sinha - Independent Director (ceased w.e.f. August 08, 2023)
	Ms. Mohua Mukherjee - Independent Director
	Mr. Mathew Joseph - Independent Director (w.e.f. October 31, 2023)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Ramakrishnan Subramanian - Independent Director (w.e.f. April 01, 2024)
	Mr. Mohan Shekhar - Independent Director (w.e.f. June 30, 2024)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Gaurav Seth - Chief Financial Officer (w.e.f. October 17, 2023)
	Mr. Amit Gupta - Chief Financial Officer (upto October 17, 2023)
	Ms. Rashmi Priya- Director of IIHFL Sales Limited (Subsidiary Company)
	Mr. Ajay Jaiswal - Company Secretary

List includes related parties with whom transactions were carried out during current or previous period.

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

16B. Transactions with related parties

(₹ in Crores)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Interest Income					
IIFL Finance Limited	-	-	-	-	-
	(14.65)	(-)	(-)	(-)	(14.65)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-
	(-)	(-)	(2.80)	(-)	(2.80)
5paisa Capital Limited	-	-	-	-	-
	(-)	(-)	(1.58)	(-)	(1.58)
IIFL Samasta Finance Limited	-	-	-	-	-
	(-)	(-)	(5.51)	(-)	(5.51)
Interest Expense					
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-
	(-)	(-)	(0.33)	(-)	(0.33)
IIFL Management Services Limited	-	-	-	-	-
	(-)	(-)	(0.16)	(-)	(0.16)
360 One WAM Limited	-	-	-	-	-
	(-)	(-)	(0.06)	(-)	(0.06)
Arranger fees					
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	0.34	-	0.34
	(-)	(-)	(0.31)	(-)	(0.31)
Brokerage Expense					
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	0.00	-	-	-	0.00
	(-)	(-)	(-)	(-)	(-)
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Remuerations	-	-	-	1.59	1.59
	(-)	(-)	(-)	(1.43)	(1.43)
Mr. Monu Ratra - Short term benefits (including perquisites)	-	-	-	29.40	29.40
	(-)	(-)	(-)	(3.50)	(3.50)
Mr. Monu Ratra - Post employment benefits	-	-	-	0.01	0.01
	(-)	(-)	(-)	(0.01)	(0.01)
Mr. Ajay Jaiswal - Remunerations	-	-	-	0.42	0.42
	(-)	(-)	(-)	(0.36)	(0.36)
Mr. Ajay Jaiswal - Short term benefits (including perquisites)	-	-	-	1.33	1.33
	(-)	(-)	(-)	(0.38)	(0.38)
Mr. Ajay Jaiswal - Post employment benefits	-	-	-	0.01	0.01
	(-)	(-)	(-)	(0.01)	(0.01)
Mr. Amit Gupta - Remuneration	-	-	-	-	-
	(-)	(-)	(-)	(0.34)	(0.34)
Mr. Amit Gupta - Short term benefits (including perquisites)	-	-	-	-	-
	(-)	(-)	(-)	(1.08)	(1.08)
Mr. Amit Gupta - Post employment benefits	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Gaurav seth - Remuneration	-	-	-	0.96	0.96
	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav seth - Short term benefits (including perquisites)	-	-	-	2.37	2.37
	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav seth - Post employment benefits	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(-)
Short term benefits - Sitting Fees to directors					
Kranti Sinha	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
Ms Mohua Mukherjee	-	-	-	0.03	0.03
	(-)	(-)	(-)	(0.07)	(0.07)
S Sridhar	-	-	-	0.06	0.06
	(-)	(-)	(-)	(0.11)	(0.11)
Mathew Joseph	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan Anantharaman	-	-	-	0.04	0.04
	(-)	(-)	(-)	(0.06)	(0.06)
A K Purwar	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(0.01)
Ramakrishnan Subramanian	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(-)
Mr. Mohan Sekhar	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(-)
Commission to directors					
Kranti Sinha	-	-	-	0.14	0.14
	(-)	(-)	(-)	(0.10)	(0.10)
Ms Mohua Mukherjee	-	-	-	0.20	0.20
	(-)	(-)	(-)	(0.10)	(0.10)
S Sridhar	-	-	-	0.26	0.26
	(-)	(-)	(-)	(0.12)	(0.12)
Mathew Joseph	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan Anantharaman	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
ICD/Loan Given					
IIFL Finance Limited	-	-	-	-	-
	(700.00)	(-)	(-)	(-)	(700.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-
	(-)	(-)	(700.00)	(-)	(700.00)
5paisa Capital Limited	-	-	-	-	-
	(-)	(-)	(230.00)	(-)	(230.00)
IIFL Samasta Finance Limited	-	-	-	-	-
	(-)	(-)	(400.00)	(-)	(400.00)
ICD/Loan received back					
IIFL Finance Limited	-	-	-	-	-
	(700.00)	(-)	(-)	(-)	(700.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-
	(-)	(-)	(700.00)	(-)	(700.00)
5paisa Capital Limited	-	-	-	-	
	(-)	(-)	(230.00)	(-)	(230.00)
IIFL Samasta Finance Limited	-	-	-	-	-
	(-)	(-)	(400.00)	(-)	(400.00)
Allocation / Reimbursement of expenses paid					
5paisa Capital Limited	-	-	0.00	-	0.00
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Management Services Limited	-	-	-	-	-
	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	2.00	-	2.00
	(-)	(-)	(1.45)	(-)	(1.45)
IIFL Finance Limited	2.09	-	-	-	2.09
	(2.89)	(-)	(-)	(-)	(2.89)
IIFL Facilities Services Limited	-	-	0.77	-	0.77
	(-)	(-)	(0.62)	(-)	(0.62)
Allocation / Reimbursement of expenses paid others					
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.18	-	-	-	0.18
	(0.05)	(-)	(-)	(-)	(0.05)
Allocation / Reimbursement of expenses received					
Livlong Protection & Wellness Solutions Limited	-	-	0.18	-	0.18
	(-)	(-)	(0.08)	(-)	(0.08)
Livlong Insurance Brokers Limited	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	0.02	-	0.02
	(-)	(-)	(0.02)	(-)	(0.02)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	0.37	-	0.37
	(-)	(-)	(0.23)	(-)	(0.23)
5Paisa Capital Limited	-	-	0.00	-	0.00
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.56	-	-	-	0.56
	(0.63)	(-)	(-)	(-)	(0.63)
Allocation / Reimbursement of expenses received others					
IIFL Finance Limited	0.03	-	-	-	0.03
	(0.06)	(-)	(-)	(-)	(0.06)
5Paisa Capital Limited	-	-	-	-	-
	(-)	(-)	(0.01)	(-)	(0.01)
Payment made by Holding Company for Assignment transactions					
IIFL Finance Limited	14.76	-	-	-	14.76
	(24.14)	(-)	(-)	(-)	(24.14)
Purchase of Fixed Assets					
IIFL Finance Limited	0.21	-	-	-	0.21
	(0.02)	(-)	(-)	(-)	(0.02)
5paisa Capital Limited	-	-	-	-	-
	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Facilities Services Limited	-	-	-	-	-
	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	-	-
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Management Services Limited	-	-	0.00	-	0.00
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	0.10	-	0.10
	(-)	(-)	(0.01)	(-)	(0.01)
Sale of Fixed Assets					
5paisa Capital Limited	-	-	0.01	-	0.01
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.20	-	-	-	0.20
	(-)	(-)	(0.42)	(-)	(0.42)
IIFL Facilities Services Limited	-	-	0.49	-	0.49
	(-)	(-)	(-)	(-)	(-)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	0.12	-	0.12
	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Rent Expense					
IIFL Facilities Services Limited	-	-	2.18	-	2.18
	(-)	(-)	(1.02)	(-)	(1.02)
ESOP Expenditure					
IIFL Finance Limited	0.07	-	-	-	0.07
	(1.04)	(-)	(-)	(-)	(1.04)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-
	(-)	(-)	(0.00)	(-)	(0.00)
CSR Expenditure					
India Infoline Foundation	-	-	8.80	-	8.80
	(-)	(-)	(9.76)	(-)	(9.76)
Security deposit refunded back					
IIFL Facilities Services Limited	-	-	1.18	-	1.18
	(-)	(-)	(-)	(-)	(-)
Sale of Investments					
IIFL Finance Limited	109.50	-	-	-	109.50
	(-)	(-)	(-)	(-)	(-)
Commission on Corporate Guarantee					
IIFL Finance Limited	1.99	-	-	-	1.99
	(-)	(-)	(-)	(-)	(-)

0.00 denotes amount less than ₹ Fifty thousands
Above figures represent transactions for half year ending September 2024 and figures in brackets represents transaction for half year ending September 2023.
Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon. Please refer ESOP note for stock options granted to KMP.

IIFL HOME FINANCE LIMITED

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16C. Closing balance

(₹ in Crores)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited	-	-	-	-	-
	(-)	(-)	(0.12)	(-)	(0.12)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	0.51	-	0.51
	(-)	(-)	(0.31)	(-)	(0.31)
IIFL Management Services Limited	-	-	-	-	-
	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	1.95	-	-	-	1.95
	(5.88)	(-)	(-)	(-)	(5.88)
5paisa Capital Limited	-	-	-	-	-
	(-)	(-)	(0.00)	(-)	(0.00)
Receivable to Group/Holding Company					
5paisa Capital Limited	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	0.43	-	0.43
	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	0.24	-	0.24
	(-)	(-)	(0.04)	(-)	(0.04)
Livlong Insurance Brokers Limited	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)
Non Convertible Debentures					
360 One Prime Limited	-	-	-	-	-
	(-)	(-)	(2.09)	(-)	(2.09)
Security Deposit Given					
IIFL Facilities Services Limited	-	-	0.31	-	0.31
	(-)	(-)	(1.49)	(-)	(1.49)
Provision for post employment benefits					
Mr. Monu Ratra	-	-	-	0.32	0.32
	(-)	(-)	(-)	(0.30)	(0.30)
Mr. Ajay Jaiswal	-	-	-	0.18	0.18
	(-)	(-)	(-)	(0.16)	(0.16)
Mr. Amit Gupta	-	-	-	-	-
	(-)	(-)	(-)	(0.16)	(0.16)
Mr. Gaurav seth	-	-	-	0.05	0.05
	(-)	(-)	(-)	(0.04)	(0.04)
Commission & Sitting Fees Payable					
Mr. Kranti Sinha	-	-	-	0.11	0.11
	(-)	(-)	(-)	(0.13)	(0.13)
Mr. S. Sridhar	-	-	-	0.14	0.14
	(-)	(-)	(-)	(0.15)	(0.15)
Ms. Mohua Mukherjee	-	-	-	0.11	0.11
	(-)	(-)	(-)	(0.13)	(0.13)
Mr. Venkataramanan	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(-)
Mr. Mathew Joseph	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(-)
Corporate Guarantee outstanding (Given by Holding Company)					
IIFL Finance Limited	368.39	-	-	-	368.39
	(410.32)	(-)	(-)	(-)	(410.32)

0.00 denotes amount less than ₹ Fifty thousands

Above figures represent closing balances as on September 2024 and figures in brackets represent closing balances as on March 2024.

Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon.

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE CONSOLIDATED INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

These financial statements were authorised for issue by the Company's Board of Directors on November 21, 2024.

As per our reports of even date attached
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

Amit Kabra
Partner
Membership No. : 094533

Place: Gurugram
Date: November 21, 2024

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Registration Number:
004207S

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

Report on Review of Interim Financial Information

Review Report to
The Board of Directors
IIFL Home Finance Limited

Introduction

1. We have reviewed the accompanying standalone condensed interim balance sheet of IIFL Home Finance Limited (the "Company") as of September 30, 2024 and the related standalone condensed interim statement of profit & loss (including Other Comprehensive Income), the standalone condensed interim statement of cash flows and the standalone condensed interim statement of changes in equity for the six-month period then ended along with summary of the selected explanatory notes (together hereinafter referred to as the "Standalone Interim condensed Ind AS Financial Statements").

2. Management is responsible for the preparation and presentation of this interim financial information in accordance with the principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

3. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies.

Other Matters

5. The comparative financial information of the Company for the corresponding half year ended September 30, 2023 and corresponding year ended March 31, 2024, included in these Standalone Interim condensed Ind AS Financial Statements, were reviewed and audited by one of the joint auditors i.e. S.R. Batliboi & Associates LLP jointly with Suresh Surana & Associates LLP (predecessor joint auditors) who expressed unmodified conclusion and opinion on those financial information on October 17, 2023 and May 6, 2024 respectively.

6. Our review's report is intended solely in connection with the proposed offering of secured redeemable non-convertible debentures and should not be used for any purposes other than mentioned above.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXMX9141

Place: Gurugram
Date: November 21, 2024

For Sundaram & Srinivasan
Chartered Accountants
ICAI Firm registration number: 004207S

P Menakshi Sundaram
Partner
Membership No.: 217914
UDIN: 24217914BKBPEI7277

Place: Chennai
Date: November 21, 2024

IIFL HOME FINANCE LIMITED
STANDALONE CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2024

(₹ in Crores)

Sr. no.	Particulars	Note no.	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents		443.05	771.15
(b)	Bank balance other than (a) above		490.99	299.23
(c)	Derivative financial instruments		4.37	-
(d)	Receivables			
	(i) Trade receivables		33.39	47.94
(e)	Loans	3	22,902.21	23,140.48
(f)	Investments		216.53	582.13
(g)	Other financial assets		611.94	486.44
(2)	**Non-financial Assets**			
(a)	Current tax assets (net)		21.41	18.78
(b)	Deferred tax assets (net)		-	31.46
(c)	Investment property		2.09	2.16
(d)	Property, plant and equipment		7.07	7.42
(e)	Intangible asset under development		0.18	0.34
(f)	Other intangible assets		0.75	0.56
(g)	Right of use assets		63.46	38.55
(h)	Other non-financial assets		10.35	7.67
	Total Assets		**24,807.79**	**25,434.31**
	LIABILITIES AND EQUITY			
(1)	**Financial Liabilities**			
(a)	Derivative financial instruments		-	2.61
(b)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		5.30	3.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		52.90	70.61
(c)	Lease liabilities		65.63	40.77
(d)	Debt securities		3,738.95	3,613.04
(e)	Borrowings (other than debt securities)		12,312.07	13,033.19
(f)	Subordinated liabilities		816.52	1,037.38
(g)	Other financial liabilities		588.79	1,052.19
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		7.69	4.85
(b)	Provisions		30.68	30.04
(c)	Deferred tax liabilities (net)		4.23	-
(d)	Other non-financial liabilities		132.62	99.11
(3)	**Equity**			
(a)	Equity share capital		26.34	26.34
(b)	Other equity		7,026.07	6,421.06
	Total Liabilities and Equity		**24,807.79**	**25,434.31**
The accompanying notes are an integral part of the Standalone Interim Condensed Ind As Financial Statement		**1-16**		

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number 004207S

For and on behalf of the Board of Directors of IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

P Menakshi Sundaram
Partner
Membership No: 217914

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Place: Gurugram
Date: November 21, 2024

Place: Chennai
Date: November 21, 2024

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

IIFL HOME FINANCE LIMITED

STANALONE CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME) FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ in Crores except otherwise stated)

Sr. no.	Particulars	Note no.	Half year ended September 30, 2024 Unaudited	Half year ended September 30, 2023 Unaudited
(I)	**Revenue from operations**			
(i)	Interest income	4	1,624.74	1,384.85
(ii)	Fees and commission income	5	119.54	95.27
(iii)	Net gain on fair value changes		4.18	7.37
(iv)	Net gain on derecognition of financial instruments under FVTOCI		124.06	-
(I)	**Total Revenue from operations**		**1,872.52**	**1,487.49**
(II)	**Other income**		8.66	86.83
(III)	**Total Income (I+II)**		**1,881.18**	**1,574.32**
	Expenses			
(i)	Finance costs		729.49	640.56
(ii)	Net loss on derecognition of financial instruments under FVTOCI		-	28.66
(iii)	Impairment on financial instruments	6	101.30	61.36
(iv)	Employee benefits expenses		222.27	151.39
(v)	Depreciation, amortization and impairment		9.23	6.40
(vi)	Other expenses		83.49	69.55
(IV)	**Total Expenses**		**1,145.78**	**957.92**
(V)	**Profit Before Tax (III-IV)**		**735.40**	**616.40**
	Tax Expense:			
	(i) Current tax		133.90	147.10
	(ii) Deferred tax		35.22	(7.54)
(VI)	**Total Tax Expense**		**169.12**	**139.56**
(VII)	**Profit for the period (V-VI)**		**566.28**	**476.84**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain/ (loss) of defined benefit liabilities/(assets)		(0.85)	(0.45)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.21	0.11
	Subtotal (A)		**(0.64)**	**(0.34)**
	B (i) Items that will be reclassified to profit or loss			
	(a) Net movement on effective portion of cash flow hedge		7.53	(2.41)
	(b) Fair value of loans carried at fair value through other comprehensive income		(4.83)	(4.75)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(0.68)	1.80
	Subtotal (B)		**2.02**	**(5.36)**
	Other Comprehensive Income (A+B)		**1.38**	**(5.70)**
(IX)	**Total Comprehensive Income for the period (VII+VIII)**		**567.66**	**471.14**
(X)	**Earnings per equity share of face value Rs. 10 each (not annualised)**	7		
	Basic (₹)		**214.95**	**181.00**
	Diluted (₹)		**212.41**	**181.00**
The accompanying notes are an integral part of the Standalone Interim Condensed Ind As Financial Statement		**1-16**		

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number: 004207S

For and on behalf of the Board of Directors of IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

Place: Gurugram
Date: November 21, 2024

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

IIFL HOME FINANCE LIMITED
STANDALONE CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

(₹ in Crores)

Particulars	Half year ended September 30, 2024	Half year ended September 30, 2023
	Unaudited	Unaudited
Cash Flows from Operating Activities		
Profit before tax	**735.40**	**616.40**
Adjustments for:		
Depreciation and amortization	9.23	6.40
Impairment on financial instruments - loans	30.89	1.13
Finance costs	729.50	640.56
Interest on Loans	(1,624.74)	(1,384.86)
Net (gain)/loss on derecognition of financial instruments	(124.06)	28.66
Net (gain)/loss on fair value changes	(4.18)	(7.37)
Net (gain)/loss on Sale of assets	0.00	(0.00)
Interest paid on borrowings	(785.82)	(605.02)
(Gain)/Loss on termination of lease	(0.30)	(0.32)
Interest received on loans	1,560.16	1,365.73
Employee share based payment expenses	37.34	-
Operating Profit before Working Capital changes	**563.42**	**661.31**
Changes in Working Capital:		
(Increase)/decrease in Other Financial assets	(2.18)	(10.76)
(Increase)/decrease in Trade Receivables	14.54	(5.63)
(Increase)/decrease in Other Non Financial assets	(2.48)	(2.25)
(Increase)/decrease in Balances with banks - Lien marked	(5.75)	0.13
(Increase)/decrease in Loans	265.13	(2,248.04)
Increase/(decrease) in Trade Payables	(15.52)	3.03
Increase/(decrease) in Other financial liabilities	(463.39)	146.38
Increase/(decrease) in Other non-financial liabilities	33.50	(150.20)
Increase/(decrease) in Provisions	(0.21)	1.11
Operating Profit after Working Capital changes	**387.06**	**(1,604.92)**
Direct Taxes Paid	**(133.68)**	**(140.23)**
Net cash generated from/(used in) Operating Activities (A)	**253.38**	**(1,745.16)**
Cash flow from Investing Activities		
Purchase of property, plant and equipment (including intangible assets)	(3.31)	(3.20)
Proceeds from sale of property, plant and equipment	0.83	0.46
Investment in Fixed deposits	(1,390.16)	(2,956.16)
Proceeds from redemption of Fixed deposits	1,203.40	3,021.47
Purchase of investments	(1,384.93)	(4,516.67)
Proceeds from sale of investments	1,757.20	4,858.88
Net Cash from /(used in) Investing Activities (B)	**183.03**	**404.78**
Cash flow from Financing Activities		
Proceeds from borrowings	1,328.70	2,969.19
Repayment of borrowings	(2,141.81)	(3,389.00)
Proceeds from issue of debt and Sub-ordinated debt securities	300.00	1,140.00
Repayment of debt and Sub-ordinated debt securities	(243.55)	(95.95)
Payment of interest on lease liabilities	(2.24)	(1.55)
Principal payment of lease liabilities	(5.61)	(3.64)
Net Cash from/(used in) Financing Activities (C)	**(764.51)**	**619.05**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(328.10)**	**(721.33)**
Cash and cash equivalents as at the beginning of the period	771.15	1,628.26
Cash and cash equivalents as at the end of the period	**443.05**	**906.93**

The accompanying notes are an integral part of the Standalone Interim Condensed Ind As Financial Statement

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number:
004207S

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

Place: Gurugram
Date: November 21, 2024

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

IIFL HOME FINANCE LIMITED
STANDALONE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024

A. Equity Share Capital
1. As at September 30, 2024

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
26.34	-	-	-	26.34

2. As at September 30, 2023 (₹ in Crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
26.34	-	-	-	26.34

B. Other Equity
1. As at September 30, 2024

(₹ in Crores)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting period	**2,969.65**	**143.86**	**766.47**	**2,513.54**	**19.77**	**(0.13)**	**7.90**	**6,421.06**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**2,969.65**	**143.86**	**766.47**	**2,513.54**	**19.77**	**(0.13)**	**7.90**	**6,421.06**
Profit for the period	-	-	-	566.28	-	-	-	**566.28**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note A)	-	-	-	-	-	5.64	-	**5.64**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(3.61)	**(3.61)**
Remeasurement of defined benefit (Net of Tax) (Refer Note B)	-	-	-	(0.64)	-	-	-	**(0.64)**
Total Comprehensive Income for the period	**-**	**-**	**-**	**565.64**	**-**	**5.64**	**(3.61)**	**567.66**
Additions during the period (Refer Note D)	-	-	-		37.34	-	-	**37.34**
Transfer to Special Reserve (Refer Note C)	-	-	135.00	(135.00)	-	-	-	**-**
Balance at the end of the Current reporting period	**2,969.65**	**143.86**	**901.47**	**2,944.18**	**57.11**	**5.51**	**4.29**	**7,026.07**

IIFL HOME FINANCE LIMITED
STANDALONE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED SEPTEMBER 30, 2024
2. As at September 30, 2023

(₹ in Crores)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting period	**2,969.65**	**143.86**	**561.07**	**1,837.62**	**-**	**5.57**	**9.09**	**5,526.86**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**2,969.65**	**143.86**	**561.07**	**1,837.62**	**-**	**5.57**	**9.09**	**5,526.86**
Profit for the period	-	-	-	476.84	-	-	-	**476.84**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note A)	-	-	-	-	-	(1.80)	-	**(1.80)**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(3.56)	**(3.56)**
Remeasurement of defined benefit (Net of Tax) (Refer Note B)	-	-	-	(0.34)	-	-	-	**(0.34)**
Total Comprehensive Income for the period	**-**	**-**	**-**	**476.50**	**-**	**(1.80)**	**(3.56)**	**471.14**
Transfer to Special Reserve (Refer Note C)	-	-	96.70	(96.70)	-	-	-	-
Balance at the end of the Previous reporting period	**2,969.65**	**143.86**	**657.77**	**2,217.42**	**-**	**3.77**	**5.53**	**5,998.00**

A. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
B. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
C. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.
D. The Share Option Outstanding Account represents reserve created in respect of equity settled share options granted to the employees of the Company.

The accompanying notes are an integral part of the Standalone Interim Condensed Ind As Financial Statement

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number: 004207S

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

P Menakshi Sundaram
Partner
Membership No: 217914

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

Place: Mumbai
Date: November 21, 2024

Place: Mumbai
Date: November 21, 2024

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

1. IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance Limited. IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time . The Company is classified under "Middle Layer" pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale based Regulation) Directions, 2023 dated October 19, 2023, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company's registered office is at Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604.

2. The Unaudited Standalone Interim condensed Ind AS Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) - 34 'Interim Financial Reporting' notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India ("RBI") to the extent applicable.

Accounting policies applied by the Company for preparation of these Standalone Interim condensed Ind AS Financial Statements are consistent with those adopted for preparation of standalone financial statements of the Company as at and for the year ended March 31, 2024 and have been prepared on a going concern basis. The Unaudited Standalone Condensed Interim Balance Sheet, the Unaudited Standalone Condensed Interim Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Unaudited Standalone Condensed Interim Statement of Changes in Equity and selected disclosures are presented in the format prescribed under Division III of Schedule III of the companies Act. The Unaudited Standalone Condensed Interim Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Standalone Interim condensed Ind AS Financial Statements have been prepared under the historical cost convention and on accrual basis, except for certain financial instruments being measured at fair value. These Standalone Interim condensed Ind AS Financial Statements are presented in Indian Rupees (INR)/(Rs.), which is also its functional currency and all values are rounded in crores up to two decimals thereof except when otherwise stated. These Standalone Interim condensed Ind AS Financial Statements have been prepared for the period April 1, 2024 to September 30, 2024 solely in connection with the proposed offering of secured redeemable non-convertible debentures and are being authorised with a resolution of the Board of Directors on November 21, 2024.

Note 3. Loans

(₹ in Crores)

Particulars	As at September 30, 2024			
	Amortised cost	FVTOCI	FVTPL	Total
	1	2	3	(4=1+2+3)
Loans				
(A)				
(i) Term loans	19,702.38	3,244.22	349.99	**23,296.59**
(ii) Others, inter corporate deposits	6.00	-	-	**6.00**
Total (A) - Gross	**19,708.38**	**3,244.22**	**349.99**	**23,302.59**
Less: Impairment loss allowance	(387.89)	(12.49)	-	**(400.38)**
Total (A) - Net	**19,320.49**	**3,231.73**	**349.99**	**22,902.21**
(B)				
(i) Secured by tangible assets	19,662.38	3,244.22	-	**22,906.60**
(ii) Secured by Government Guarantee	35.85	-	349.99	**385.84**
(iii) Unsecured	10.15	-	-	**10.15**
Total (B) - Gross	**19,708.38**	**3,244.22**	**349.99**	**23,302.59**
Less: Impairment loss allowance	(387.89)	(12.49)	-	**(400.38)**
Total (B) - Net	**19,320.49**	**3,231.73**	**349.99**	**22,902.21**
(C)				
(I) Loans in India	**19,708.38**	**3,244.22**	**349.99**	**23,302.59**
(i) Public sector	-	-	-	**-**
(ii) Other than Public sector	19,708.38	3,244.22	349.99	**23,302.59**
Less: Impairment loss allowance	(387.89)	(12.49)	-	**(400.38)**
Total (C) -(I) Net	**19,320.49**	**3,231.73**	**349.99**	**22,902.21**
(II) Loans outside India				
Less: Impairment loss allowance	-	-	-	**-**
Total (C) (II)	-	-	-	**-**
Total C (I) and C (II)	**19,320.49**	**3,231.73**	**349.99**	**22,902.21**

(₹ in Crores)

Particulars	As at March 31, 2024			
	Amortised cost	FVTOCI	FVTPL	Total
	1	2	3	(4=1+2+3)
Loans				
(A)				
(i) Term loans	19,683.16	3,828.32	-	23,511.48
Total (A) - Gross	**19,683.16**	**3,828.32**	**-**	23,511.48
Less: Impairment loss allowance	(353.53)	(17.47)	-	(371.00)
Total (A) - Net	**19,329.63**	**3,810.85**	**-**	23,140.48
(B)				
(i) Secured by tangible assets	19,619.74	3,828.32	-	23,448.06
(ii) Secured by Government Guarantee	57.30	-	-	57.30
(iii) Unsecured	6.12	-	-	6.12
Total (B) - Gross	**19,683.16**	**3,828.32**	**-**	**23,511.48**
Less: Impairment loss allowance	(353.53)	(17.47)	-	(371.00)
Total (B) - Net	**19,329.63**	**3,810.85**	**-**	**23,140.48**
(C)				
(I) Loans in India	**19,683.16**	**3,828.32**	**-**	**23,511.48**
(i) Public sector	-	-	-	-
(ii) Others	19,683.16	3,828.32	-	23,511.48
Less: Impairment loss allowance	(353.53)	(17.47)	-	(371.00)
Total (C) - Net	**19,329.63**	**3,810.85**	-	**23,140.48**
(II)Loans outside India		-		
Less: Impairment loss allowance	-	-	-	-
Total (C) (II)	-	-	-	-
Total C (I) and C (II)	**19,329.63**	**3,810.85**	**-**	**23,140.48**

The above Term Loans includes ₹ 286.19 Crores (As At March 31, 2024 ₹ 229.19 Crores) towards interest accrued and overdues, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Unsecured represents term loans of ₹ 4.15 Crores (As At March 31, 2024, ₹ 6.12 Crores) amount where in the exposure exceeds the collateral value and ICD given of ₹ 6.00 Crores (As At March 31, 2024 Nil)

c. Other than inter corporate deposit amounting to ₹ 6.00 crores given to direct subsidiary, the Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either individually or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the period.

IIFL HOME FINANCE LIMITED

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Note 4. Interest Income

(₹ in Crores)

Particulars	Half year ended September 30, 2024 Unudited On Financial Assets measured at			
	FVTOCI	Amortised Cost	FVTPL	Total
Interest on Loans	260.28	1,331.73	8.19	1,600.20
Interest income from investments	-	6.54	7.30	13.84
Interest on inter corporate deposits	-	0.09	-	0.09
Interest on deposits with Banks	-	10.61	-	10.61
Total	**260.28**	**1,348.97**	**15.49**	**1,624.74**

(₹ in Crores)

Particulars	Half year ended September 30, 2023 Unudited On Financial Assets measured at			
	FVTOCI	Amortised Cost	FVTPL	Total
Interest on Loans	164.67	1,128.45	16.07	1,309.19
Interest income from investments	-	16.24	9.79	26.03
Interest on inter corporate deposits	-	24.53	-	24.53
Interest on deposits with Banks	-	25.10	-	25.10
Total	**164.67**	**1,194.32**	**25.86**	**1,384.85**

Note 5. Fees and Commission Income

(₹ in Crores)

Particulars	Half year ended September 30, 2024	Half year ended September 30, 2023
Fees & Other Charges*	55.89	54.71
Insurance and distribution commission	63.65	40.56
Total	**119.54**	**95.27**

* Includes fee and charges in the nature of service fee, foreclosure, etc.

Note 6. Impairment on Financial Instruments, including write-offs

(₹ in Crores)

Particulars	Half year ended September 30, 2024 Unudited On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	(4.98)	33.36	**28.38**
Receivables	-	0.01	**0.01**
Investments	-	2.50	**2.50**
Bad debts written off (Net of recovery)	-	70.41	**70.41**
Total	**(4.98)**	**106.28**	**101.30**

(₹ in Crores)

Particulars	Half year ended September 30, 2023 Unudited On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	(3.53)	11.08	**7.55**
Receivables	-	(6.42)	**(6.42)**
Bad debts written off (Net of recovery)	-	60.23	**60.23**
Total	**(3.53)**	**64.89**	**61.36**

IIFL HOME FINANCE LIMITED
SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 7. Earnings Per Share:

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

(₹ in Crores except per share data)

Particulars		Half year ended September 30, 2024	Half year ended September 30, 2023
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax	A	566.28	476.84
Weighted Average Number of Equity Shares Outstanding	B	2,63,44,638	2,63,44,638
Basic EPS (In ₹)	**A/B**	**214.95**	**181.00**
DILUTED			
Weighted Average Number of Equity Shares for computation of basic EPS		2,63,44,638	2,63,44,638
Weighted Average Number of Equity shares for computation of diluted EPS		2,63,44,638	2,63,44,638
Add: Potential equity shares on account conversion of Employees Stock Options		3,14,533	-
Weighted average number of equity shares for computation of diluted EPS	**C**	**2,66,59,171**	**-**
Diluted EPS (In ₹)	**A/C**	**212.41**	**181.00**

The basic earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares for the respective periods; whereas the diluted earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options.

Note 8. Employee Stock Option
During the half year ended September 2024, 2,36,611 equity share options were granted to eligible employees under the IIFL ESOP Plan - 2022. The exercise price of these options is of 1,338. The options will vest based on meeting the performance criteria established by the Company as per vesting schedule and vesting rate. All these options will vest with minimum vesting period of 1 year and maximum vesting period of 4 years having Graded vesting @25% for eligible employees (vesting ratio 25:25:25:25).

As per ESOP plan, the vested options can be exercised by the option grantees only in connection with or upon happening of a Liquidity Event and within such period as prescribed by board in this regard. The fair value at grant date is estimated using a black scholes model, taking into account the terms and conditions upon which the options were granted. The expected life of each option granted is four years. There is no cash settlement of the options. The fair value of options granted during the half year ended September 30, 2024 was estimated on the date of grant using the following assumptions: Dividend yield (%) 0.98% Expected volatility (%) 50% Risk-free interest rate (%) 7.18% Expected life of share options (years) 4 Years Weighted average share price (₹) ₹ 4007.49. The weighted average fair value of the options granted during the half year ended September 30, 2024 was ₹ 2,923.78 (September 30, 2023: ₹ Nil).

For the half year ended September 30, 2024, the Company has recognised Rs. ₹ 37.34 crores of share-based payment expense in the statement of profit or loss (September 30, 2023: NIL).

During the half year ended September 2024, the Company has granted 1,55,129 number of ESOP's to Key Managerial Personnal.

Note 9. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date
a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 2,681.98 Crores. (As at March 31, 2024 ₹ 3,262.11 Crores.);
(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 0.47 Crores (As at March 31, 2024 ₹ 0.54 Crores).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.20 Crores (As at March 31, 2024 ₹ 0.15 Crores);
(ii) Contingent liability on account of Income Tax Dispute is ₹ 7.28 Crores (As at March 31, 2024 ₹ 7.28 Crores) - The Company has filed appeal against the said demand;
(iii) Contingent liability on account of GST Dispute is ₹ 0.95 Crores (As at March 31, 2024 ₹ 0.76 Crores) -The Company has filed appeal against the said demand and has deposited ₹ 0.04 Crores (As at March 31, 2024 0.04 Crores) under protest;
(iv) Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 79.93 Crores and ₹ 23.34 Crores respectively (As at March 31, 2024 ₹ 79.91 Crores and ₹ 23.34 Crores).

Note 10. Disclosure as per Ind AS -108 "Operating Segments"
The Company's main business is financing by way of loans for the purchase or construction of residential houses, loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

Note 11. Significant events after reporting period
There are no significant events that have occurred subsequent to September 30, 2024 that are required to be disclosed pursuant to the requirement of Ind AS 34.

IIFL HOME FINANCE LIMITED

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Note 12. The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances **(₹ in Crores)**

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening EAD March 31, 2024	**21,810.71**	**3,369.81**	**1,128.67**	**88.54**	**342.90**	**(1.99)**	**23,282.28**	**3,456.36**
New Loans Disbursed during the year	3,566.03	793.07	4.83	1.52	0.05	(0.00)	**3,570.91**	**794.59**
Loan derecognised/repaid in part or full	(3,978.46)	(1,316.43)	(105.06)	(2.76)	-17.11	(16.65)	**(4,100.63)**	**(1,335.84)**
Loans written off	(13.92)	(4.26)	(7.44)	(2.16)	(70.77)	0.36	**(92.13)**	**(6.06)**
Movement in Stages								
From Stage 1	(735.42)	(77.50)	690.76	70.86	44.66	6.64	-	-
From Stage 2	152.70	12.96	(264.45)	(22.14)	111.75	9.18	-	-
From Stage 3	29.88	(0.18)	11.60	(0.04)	(41.48)	0.22	-	-
Closing EAD September 30, 2024	**20,831.52**	**2,777.47**	**1,458.91**	**133.82**	**370.00**	**(2.24)**	**22,660.43**	**2,909.05**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,623.18 Crores (As at March 31, 2024 ₹ 3,227.17 Crores)

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening EAD March 31, 2023	**16,623.25**	**2,202.02**	**1,044.74**	**70.65**	**387.46**	**(1.37)**	**18,055.45**	**2,271.30**
New Loans Disbursed during the year	11,746.48	2,364.08	91.57	9.01	9.85	(0.08)	**11,847.90**	**2,373.01**
Loan derecognised/repaid in part or full	(5,990.67)	(1,146.89)	(212.53)	(5.14)	(139.82)	(22.08)	**(6,343.02)**	**(1,174.12)**
Loans written off	(177.34)	(7.35)	(22.21)	(6.97)	(78.49)	0.48	**(278.04)**	**(13.84)**
Movement in Stages								
From Stage 1	(778.18)	(64.92)	637.48	53.12	140.70	11.80	-	-
From Stage 2	336.22	23.09	(427.46)	(32.09)	91.24	9.00	-	-
From Stage 3	50.96	(0.21)	17.09	(0.04)	(68.05)	0.25	-	-
Closing EAD March 31, 2024	**21,810.71**	**3,369.81**	**1,128.67**	**88.54**	**342.90**	**(1.99)**	**23,282.28**	**3,456.36**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 3,227.17 Crores (As at March 31, 2023 ₹ 2,098.41 Crores)

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Loss Allowances **(₹ in Crores)**

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening ECL March 31, 2024	**110.44**	**16.65**	**116.40**	**20.22**	**107.27**	**0.01**	**334.13**	**36.90**
New Loans Disbursed during the year	10.07	2.77	0.59	0.16	0.02	-	**10.68**	**2.93**
Loan derecognised/repaid in part or full	(42.16)	(7.12)	51.51	14.00	36.51	(3.43)	**45.86**	**3.45**
Loans written off	(0.97)	(0.04)	(3.64)	(0.60)	(28.28)	-	**(32.89)**	**(0.64)**
Movement in Stages								
From Stage 1	(10.11)	(1.39)	9.31	1.27	0.80	0.12	**-**	**-**
From Stage 2	13.70	2.30	(27.35)	(5.60)	13.65	3.30	**-**	**-**
From Stage 3	9.26	-	3.49	-	(12.75)	-	**-**	**-**
Closing ECL September 30, 2024	**90.23**	**13.17**	**150.31**	**29.45**	**117.22**	**0.00**	**357.78**	**42.64**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 10.98 Crores (As at March 31, 2024 ₹ 13.89 Crores).

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening ECL March 31, 2023	**245.27**	**20.53**	**112.79**	**7.26**	**108.19**	**(0.01)**	**466.26**	**27.79**
New Loans Disbursed during the year	40.48	9.69	11.19	2.81	2.73	-	54.41	12.49
Loan derecognised/repaid in part or full	(169.12)	(14.02)	27.92	13.29	52.13	(1.30)	(89.06)	(2.03)
Loans written off	(33.25)	(0.63)	(12.83)	(0.72)	(51.40)	-	(97.47)	(1.35)
Movement in Stages								
From Stage 1	(16.52)	(0.75)	13.20	0.60	3.32	0.15	-	-
From Stage 2	30.24	1.83	(40.25)	(3.01)	10.01	1.18	-	-
From Stage 3	13.33	-	4.38	-	(17.71)	-	-	-
Closing ECL March 31, 2024	**110.44**	**16.65**	**116.40**	**20.22**	**107.27**	**0.01**	**334.13**	**36.90**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 13.89 Crores (As at March 31, 2023 ₹ 18.88 Crores).

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SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 13. Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The tables shown subsequently in Note 14 is disclosing the fair value of all instruments measured at fair value through profit or loss or fair value through OCI or amortized cost. With respect to Bank balances and cash and cash equivalents, Trade receivables , Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities, the carrying value approximates the fair value

The following table shows an analysis of financial instruments:

(₹ in Crores)

Particulars	As at September 30, 2024 (Unaudited)		
	FVTPL	FVTOCI	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	443.05
Bank balance other than cash and cash equivalents	-	-	490.99
Derivative financial instruments	-	4.37	-
Receivables			
(i) Trade receivables	-	-	33.39
Loans	349.99	3,231.73	19,320.49
Investments	112.51	-	104.02
Other financial assets	-	-	611.94
Total financial assets	**462.50**	**3,236.10**	**21,003.88**
Financial liabilities			
Derivative financial instruments	-	-	-
Trade payables	-	-	58.20
Lease liabilities	-	-	65.63
Debt securities	-	-	3,738.95
Borrowings (other than debt securities)	-	-	12,312.07
Subordinated liabilities	-	-	816.52
Other financial liabilities	-	-	588.79
Total financial liabilities	-	**-**	**17,580.16**

(₹ in Crores)

Particulars	As at March 31, 2024 (Audited)		
	FVTPL	FVTOCI	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	771.15
Bank balance other than cash and cash equivalents	-	-	299.23
Receivables			
(i) Trade receivables	-	-	47.94
Loans	-	3,810.85	19,329.63
Investments	401.60	-	180.53
Other financial assets	-	-	486.44
Total financial assets	**401.60**	**3,810.85**	**21,114.92**
Financial liabilities			
Derivative financial instruments	-	2.61	-
Trade payables	-	-	73.73
Lease liabilities	-	-	40.77
Debt securities	-	-	3,613.04
Borrowings (other than debt securities)	-	-	13,033.19
Subordinated liabilities	-	-	1,037.38
Other financial liabilities	-	-	1,052.19
Total financial liabilities	-	**2.61**	**18,850.30**

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SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

Note 14. Financial instruments measured at fair value – Fair value hierarchy

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

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

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at September 30, 2024 (Unaudited)				
Financial assets				
Loans at FVTOCI	-	-	3,231.73	3,231.73
Loans at FVTPL	349.99	-	-	349.99
Investments	-	-	-	-
(i) Debt Securities, Security Receipts and G-Sec	112.51	-	-	112.51
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		4.37		4.37
Total financial assets	**462.50**	**4.37**	**3,231.73**	**3,698.60**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2024 (Audited)				
Financial assets				
Loans at FVTOCI	-	-	3,810.85	3,810.85
Investments				
(i) Debt Securities, Security Receipts and G-Sec	401.60	-	-	401.60
Total financial assets	**401.60**	**-**	**3,810.85**	**4,212.45**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		2.61		2.61
Total financial liabilities	**-**	**2.61**	**-**	**2.61**

Valuation technique used to determine fair value

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

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at September 30, 2024 (Unaudited)**	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	19,320.28	19,320.49	Level 3
Investments			
(i) In other securities	104.02	104.02	Level 1 /Level 3
Total financial assets	**19,424.30**	**19,424.51**	
Financial liabilities			
Debt securities	3,652.85	3,738.95	Level 3
Subordinated liabilities	805.96	816.52	Level 3
Total financial liabilities	**4,458.81**	**4,555.47**	

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at March 31, 2024 (Audited)**	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	19,327.76	19,329.63	Level 3
Investments			
(i) In other securities	181.63	180.53	Level 1 /Level 3
Total financial assets	**19,509.39**	**19,510.16**	
Financial Liabilities			
Debt securities	3,479.24	3,613.04	Level 3
Subordinated liabilities	1,029.13	1,037.38	Level 3
Total financial liabilities	**4,508.37**	**4,650.42**	

With respect to Bank balances and cash and cash equivalents, Trade receivables , Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities, the carrying value approximates the fair value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and liabilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, lease liabilities, borrowings and other financial assets & liabilities.

Note 14A. Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing net amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Crores)

Particulars	Loans - FVTOCI	
	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Opening Balance	3,810.85	2,829.19
Loans derecognised during the period/year	(2,193.63)	(2,485.19)
Loans originated (net)	1,614.51	3,466.85
Closing Balance	**3,231.73**	**3,810.85**

Note 15. Movement of borrowing:

(₹ in Crores)

Particulars	As at March 31, 2024	Cash flows	Others*	As at September 30, 2024
Debt securities (Including subordinated liabilities)	4,650.42	56.45	(151.40)	4,555.47
Borrowings (other than debt securities)	13,033.19	(813.11)	91.99	12,312.07
Total Liabilities from Financial Activities	**17,683.61**	**(756.66)**	**(59.41)**	**16,867.54**

(₹ in Crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt securities (Including subordinated liabilities)	3,332.53	1,248.10	69.79	4,650.42
Borrowings (other than debt securities)	11,620.67	1,456.20	(43.68)	13,033.19
Total Liabilities from Financial Activities	**14,953.20**	**2,704.30**	**26.11**	**17,683.61**

**Includes the effect of amortisation of borrowing cost, interest accrued on borrowings, exchange differences and conversion factor of derivative instruments.*

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

16A. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the half year ended September 30, 2024

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Capital Services Limited (Formerly IIFL Securities Limited)
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited) (ceased w.e.f. July 11, 2024)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited) (ceased w.e.f. July 11, 2024)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Non-Executive Director
	Mr. AK Purwar - Independent Director (ceased w.e.f. March 31, 2024)
	Mr. Kranti Sinha - Independent Director (ceased w.e.f. August 08, 2023)
	Ms. Mohua Mukherjee - Independent Director
	Mr. Mathew Joseph - Independent Director (w.e.f. October 31, 2023)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Ramakrishnan Subramanian - Independent Director (w.e.f. April 01, 2024)
	Mr. Mohan Shekhar - Independent Director (w.e.f. June 30, 2024)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Gaurav Seth - Chief Financial Officer (w.e.f. October 17, 2023)
	Mr. Amit Gupta - Chief Financial Officer (upto October 17, 2023)
	Mr. Ajay Jaiswal - Company Secretary

List includes related parties with whom transactions were carried out during current or previous period.

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

16B. Transactions with related parties

(₹ in Crores)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Direct Subsidiary	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	-	-	-	-	-	-
	(14.65)	(-)	(-)	(-)	(-)	(14.65)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-	-
	(-)	(-)	(-)	(2.80)	(-)	(2.80)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(1.58)	(-)	(1.58)
IIHFL Sales Limited	-	-	0.09	-	-	0.09
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(5.51)	(-)	(5.51)
Interest Expense						
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-	-
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
360 One WAM Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.06)	(-)	(0.06)
Arranger fees						
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	0.34	-	0.34
	(-)	(-)	(-)	(0.31)	(-)	(0.31)
IIHFL Sales Limited	-	-	4.10	-	-	4.10
	(-)	(-)	(8.98)	(-)	(-)	(8.98)
Brokerage Expense						
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	0.00	-	-	-	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remuerations	-	-	-	-	1.59	1.59
	(-)	(-)	(-)	(-)	(1.43)	(1.43)
Mr. Monu Ratra - Short term benefits (including perquisites)	-	-	-	-	29.40	29.40
	(-)	(-)	(-)	(-)	(3.50)	(3.50)
Mr. Monu Ratra - Post employment benefits	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	0.42	0.42
	(-)	(-)	(-)	(-)	(0.36)	(0.36)
Mr. Ajay Jaiswal - Short term benefits (including perquisites)	-	-	-	-	1.33	1.33
	(-)	(-)	(-)	(-)	(0.38)	(0.38)
Mr. Ajay Jaiswal - Post employment benefits	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Mr. Amit Gupta - Remuneration	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.34)	(0.34)
Mr. Amit Gupta - Short term benefits (including perquisites)	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.08)	(1.08)
Mr. Amit Gupta - Post employment benefits	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Gaurav seth - Remuneration	-	-	-	-	0.96	0.96
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav seth - Short term benefits (including perquisites)	-	-	-	-	2.37	2.37
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav seth - Post employment benefits	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Short term benefits - Sitting Fees to directors						
Kranti Sinha	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.04)	(0.04)
Ms Mohua Mukherjee	-	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
S Sridhar	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.11)	(0.11)
Mathew Joseph	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
A K Purwar	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Ramakrishnan Subramanian	-	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Mohan Sekhar	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Commission to directors						
Kranti Sinha	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Ms Mohua Mukherjee	-	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
S Sridhar	-	-	-	-	0.26	0.26
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Mathew Joseph	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Direct Subsidiary	Other related parties	Key Managerial Personnel	Total
ICD/Loan Given						
IIFL Finance Limited	-	-	-	-	-	-
	(700.00)	(-)	(-)	(-)	(-)	(700.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-	-
	(-)	(-)	(-)	(700.00)	(-)	(700.00)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(230.00)	(-)	(230.00)
IIHFL Sales Limited	-	-	6.00	-	-	6.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(400.00)	(-)	(400.00)
ICD/Loan received back						
IIFL Finance Limited	-	-	-	-	-	-
	(700.00)	(-)	(-)	(-)	(-)	(700.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-	-
	(-)	(-)	(-)	(700.00)	(-)	(700.00)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(230.00)	(-)	(230.00)
IIHFL Sales Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(400.00)	(-)	(400.00)
Allocation / Reimbursement of expenses paid						
5paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	2.00	-	2.00
	(-)	(-)	(-)	(1.45)	(-)	(1.45)
IIHFL Sales Limited	-	-	4.73	-	-	4.73
	(-)	(-)	(4.18)	(-)	(-)	(4.18)
IIFL Finance Limited	2.08	-	-	-	-	2.08
	(2.89)	(-)	(-)	(-)	(-)	(2.89)
IIFL Facilities Services Limited	-	-	-	0.77	-	0.77
	(-)	(-)	(-)	(0.62)	(-)	(0.62)
Allocation / Reimbursement of expenses paid others						
IIHFL Sales Limited	-	-	0.05	-	-	0.05
	(-)	(-)	(0.00)	(-)	(-)	(0.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.18	-	-	-	-	0.18
	(0.05)	(-)	(-)	(-)	(-)	(0.05)
Allocation / Reimbursement of expenses received						
Livlong Protection & Wellness Solutions Limited	-	-	-	0.18	-	0.18
	(-)	(-)	(-)	(0.08)	(-)	(0.08)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	0.37	-	0.37
	(-)	(-)	(-)	(0.23)	(-)	(0.23)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIHFL Sales Limited	-	-	0.06	-	-	0.06
	(-)	(-)	(0.05)	(-)	(-)	(0.05)
IIFL Finance Limited	0.56	-	-	-	-	0.56
	(0.63)	(-)	(-)	(-)	(-)	(0.63)
Allocation / Reimbursement of expenses received others						
IIFL Finance Limited	0.03	-	-	-	-	0.03
	(0.06)	(-)	(-)	(-)	(-)	(0.06)
5Paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIHFL Sales Limited	-	-	0.05	-	-	0.05
	(-)	(-)	(0.00)	(-)	(-)	(0.00)
Payment made by Holding Company for Assignment transactions						
IIFL Finance Limited	14.76	-	-	-	-	14.76
	(24.14)	(-)	(-)	(-)	(-)	(24.14)
Purchase of Fixed Assets						
IIFL Finance Limited	0.20	-	-	-	-	0.20
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	0.10	-	0.10
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIHFL Sales Limited	-	-	0.00	-	-	0.00
	(-)	(-)	(0.00)	(-)	(-)	(0.00)
Sale of Fixed Assets						
5paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.19	-	-	-	-	0.19
	(-)	(-)	(-)	(0.42)	(-)	(0.42)
IIFL Facilities Services Limited	-	-	-	0.49	-	0.49
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	0.12	-	0.12
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	-
IIHFL Sales Limited	-	-	0.00	-	-	0.00
	(-)	(-)	(0.01)	(-)	(-)	(0.01)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Direct Subsidiary	Other related parties	Key Managerial Personnel	Total
Rent Expense						
IIFL Facilities Services Limited	-	-	-	2.18	-	2.18
	(-)	(-)	(-)	(1.02)	(-)	(1.02)
ESOP Expenditure						
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(1.04)	(-)	(-)	(-)	(-)	(1.04)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
CSR Expenditure						
India Infoline Foundation	-	-	-	8.80	-	8.80
	(-)	(-)	(-)	(9.76)	(-)	(9.76)
Security deposit refunded back						
IIFL Facilities Services Limited	-	-	-	1.18	-	1.18
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Investments						
IIFL Finance Limited	109.50	-	-	-	-	109.50
	(-)	(-)	(-)	(-)	(-)	(-)
Commission on Corporate Guarantee						
IIFL Finance Limited	1.99	-	-	-	-	1.99
	(-)	(-)	(-)	(-)	(-)	(-)

0.00 denotes amount less than ₹ Fifty thousands
Above figures represent transactions for half year ending September 2024 and figures in brackets represents transaction for half year ending September 2023.
Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon. Please refer ESOP note for stock options granted to KMP.

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

16C. Closing balance

(₹ in Crores)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Direct Subsidiary	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.12)	(-)	(0.12)
IIFL Capital Services Limited (Formerly IIFL Securities Limited)	-	-	-	0.51	-	0.51
	(-)	(-)	(-)	(0.31)	(-)	(0.31)
IIHFL Sales Limited	-	-	2.60	-	-	2.60
	(-)	(-)	(4.99)	(-)	(-)	(4.99)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	1.95	-	-	-	-	1.95
	(5.88)	(-)	(-)	(-)	(-)	(5.88)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Receivable to Group/Holding Company						
5paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.43	-	0.43
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.24	-	0.24
	(-)	(-)	(-)	(0.04)	(-)	(0.04)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Non Convertible Debentures						
360 One Prime Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(2.09)	(-)	(2.09)
Security Deposit Given						
IIFL Facilities Services Limited	-	-	-	0.31	-	0.31
	(-)	(-)	(-)	(1.49)	(-)	(1.49)
Provision for post employment benefits						
Mr. Monu Ratra	-	-	-	-	0.32	0.32
	(-)	(-)	(-)	(-)	(0.30)	(0.30)
Mr. Ajay Jaiswal	-	-	-	-	0.18	0.18
	(-)	(-)	(-)	(-)	(0.16)	(0.16)
Mr. Amit Gupta	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.16)	(0.16)
Mr. Gaurav seth	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(0.04)	(0.04)
Commission & Sitting Fees Payable						
Mr. Kranti Sinha	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Mr. S. Sridhar	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.15)	(0.15)
Ms. Mohua Mukherjee	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Mr. Venkataramanan	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Mathew Joseph	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(-)	(-)
ICD/Loan outstanding						
IIHFL Sales Limited	-	-	6.00	-	-	6.00
	(-)	(-)	(-)	(-)	(-)	(-)
Corporate Guarantee outstanding (Given by Holding Company)						
IIFL Finance Limited	368.39	-	-	-	-	368.39
	(410.32)	(-)	(-)	(-)	(-)	(410.32)

0.00 denotes amount less than ₹ Fifty thousands

Above figures represent closing balances as on September 2024 and figures in brackets represent closing balances as on March 2024.

Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon.

IIFL HOME FINANCE LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE STANDALONE INTERIM CONDENSED IND AS FINANCIAL STATEMENT AS AT SEPTEMBER 30, 2024

These financial statements were authorised for issue by the Company's Board of Directors on November 21, 2024.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
Membership No: 094533

Place: Gurugram
Date: November 21, 2024

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm registration number: 004207S

P Menakshi Sundaram
Partner
Membership No: 217914

Place: Chennai
Date: November 21, 2024

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Gaurav Seth
Chief Financial Officer
Place: Gurugram

S. R. Batliboi & Associates LLP
Chartered Accountants
67, Institutional Area,
Sector 44, Gurugram – 122003
Haryana, India

Suresh Surana & Associates LLP
Chartered Accountants
8th Floor, Bakhtawar, 229,
Nariman Point, Mumbai – 400021, India

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Home Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IIFL Home Finance Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit

Suresh Surana & Associates LLP Chartered Accountants

S.R. Batliboi & Associates LLP

procedures performed by us and by other auditors of components not audited by one of joint auditors i.e. S.R. Batliboi & Associates LLP. as reported by them in their audit reports furnished to one of joint auditors by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

A. Key Audit Matters for Holding Company

Key audit matters	How our audit addressed the key audit matter
Impairment of loans as at the balance sheet date (including determination of expected credit losses) **(as described in note 3(k) of the consolidated financial statements)**	
The Company provide for impairment of its loans using the Expected Credit Loss ("ECL") model. ECL involves an estimation of probability weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Company's loans. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative factors for 'significant increase in credit risk' ("SICR") and 'default'. b) Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default, loss given default and exposure at default ; c) Determining effect of less frequent past events on future probability of default. d) Determining macro-economic factors impacting credit quality of loans. In view of the high degree of management's judgement involved in estimation of ECL, impairment of loans as at the balance sheet date (including expected credit losse) is a key audit matter.	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loans and assessed compliance of the policies with Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to applicable Reserve Bank of India guidelines, ("the RBI Guidelines"). • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the adequacy of disclosures included in the consolidated financial statements with the relevant requirements of Ind AS 107 and 109.

B. Key Audit Matter for subsidiary company – IIHFL Sales Limited – No key audit matters reported by the subsidiary company's auditor for the year ended March 31, 2024.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director report, but does not include the

S. R. Batliboi & Associates LLP
Chartered Accountants
67, Institutional Area,
Sector 44, Gurugram – 122003
Haryana, India

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consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements

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whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

S. R. Batliboi & Associates LLP
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The accompanying consolidated financial statements includes the audited financial statements and other financial information, in respect of 1 subsidiary, whose financial statements include total assets of Rs.40.50 Cr as at March 31, 2024, total revenues of Rs.49.69 Cr, total net profit/(loss) after tax of Rs.(0.38) Cr, total comprehensive income/(loss) of Rs.(0.36) Cr, for the year ended March 31, 2024, and net cash outflows/(inflows) of Rs.(3.62) Cr for the year ended March 31, 2024, as considered in the consolidated financial statements which have been audited by one of the joint auditors of the Company i.e. Suresh Surana & Associates LLP and whose report on the financial statements of this entity have been furnished to other Joint auditors i.e. S.R. Batliboi & Associates LLP by the Management and their opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of one of the joint auditors i.e. Suresh Surana & Associates LLP.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the report of the above auditor.

The comparative financial information of the Group for the corresponding year ended March 31, 2023, included in the consolidated financial statements, were audited by one of the joint auditors i.e. Suresh Surana & Associates LLP and one of the predecessor auditors i.e. M. P. Chitale & Co. who expressed an unmodified opinion on those consolidated financial information on April 24, 2023.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other joint auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other joint auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We/the other joint auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other joint auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary

S. R. Batliboi & Associates LLP
Chartered Accountants
Institutional Area,
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company, none of the directors of the Group's companies, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. The provisions of section 197 read with Schedule V of the Act are not applicable to the its subsidiary incorporated in India for the year ended March 31, 2024;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 35 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 5 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the note 38(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the note 38(i) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that

Suresh Surana & Associates LLP Chartered Accountants Mumbai

S.R. Batliboi & Associates LLP

the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The interim dividend declared and paid during the year by the Holding Company and until the date of the respective audit reports of such Holding Company is in accordance with section 123 of the Act.

No dividend has been declared or paid during the year by the subsidiary.

vi) Based on our examination which included test checks, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXFI2793

Place: Mumbai
Date: 6 May 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGAQ1774

Place: Mumbai
Date: 6 May 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED

Re: IIFL Home Finance Limited

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	IIFL Home Finance Limited	U65993MH2006PLC166475	Holding Company	(iii)(c)
2	IIHFL Sales Limited	U74999MH2021PLC368361	Subsidiary Company	vii (a)

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ICAI Firm registration number: 101049W/E300004

per Amit Kabra
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UDIN: 24102306BKCGAQ1774

Place: Mumbai
Date: 6 May 2024

S. R. Batliboi & Associates LLP
Chartered Accountants
4th Institutional Area,
Sector 44, Gurugram – 122003
Haryana, India

Suresh Surana & Associates LLP
Chartered Accountants
8th Floor, Bakhtawar, 229,
Nariman Point, Mumbai – 400021, India

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMTED

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

In conjunction with our audit of the consolidated financial statements of IIFL Home Finance Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

S. R. Batliboi & Associates

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Chartered Accountants
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Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXFI2793

Place: Mumbai
Date: 6 May 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGAQ1774

Place: Mumbai
Date: 6 May 2024

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2024

(₹ In Crores)

Sr. no.	Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4A	781.71	1,635.21
(b)	Bank balance other than (a) above	4B	299.23	359.29
(c)	Derivative financial instruments	5	-	41.99
(d)	Receivables	6		
	(I) Trade receivables		48.18	47.50
(e)	Loans	7	23,114.10	17,721.16
(f)	Investments	8	582.08	1,427.19
(g)	Other financial assets	9	488.50	454.15
(2)	**Non-financial assets**			
(a)	Current tax assets (net)		20.56	11.66
(b)	Deferred tax assets (net)	10	35.95	45.84
(c)	Investment property	11A	2.16	2.29
(d)	Property, plant and equipment	11B	7.61	7.91
(e)	Intangible asset under development	12	0.34	-
(f)	Right of use assets	13A	57.52	50.22
(g)	Other intangible assets	13B	0.56	0.44
(h)	Other non-financial assets	14	8.22	6.20
	Total assets		**25,446.72**	**21,811.04**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Derivative financial instruments	5	2.61	-
(b)	Payables	15		
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		3.12	3.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		67.97	48.37
(c)	Lease liability	12A	63.26	52.00
(d)	Debt securities	16	3,613.04	2,254.22
(e)	Borrowings (other than Debt securities)	17	13,033.18	11,620.67
(f)	Subordinated liabilities	18	1,037.38	1,078.31
(g)	Other financial liabilities	19	1,052.18	903.12
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		4.85	16.01
(b)	Provisions	20	31.04	20.22
(c)	Other non-financial liabilities	21	100.04	261.00
(3)	**Equity**			
(a)	Equity share capital	22	26.34	26.34
(b)	Other equity	23	6,411.71	5,527.77
	Total liabilities and equity		**25,446.72**	**21,811.04**
	The accompanying notes are an integral part of the consolidated financial statements			

As per our reports of even date attached
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Amit Kabra
Partner
Membership No.: 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: May 06, 2024

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R Venkataraman

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

S.R. BATLIBOI & ASSOCIATES LLP

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores except otherwise stated)

Sr. no.	Particulars	Note no.	FY 2023-24	FY 2022-23
(I)	**Revenue from operations**			
(i)	Interest income	24	2,922.29	2,294.95
(ii)	Fees and commission income	25	194.26	114.48
(iii)	Net gain on fair value changes	26	4.47	59.45
(iv)	Net gain on derecognition of financial instruments under FVTOCI	27	-	72.54
(v)	Net gain/(loss) on derecognition of equity shares under cost category		-	6.59
(I)	**Total Revenue from operations**		3,121.02	2,553.31
(II)	**Other Income**	28	195.74	156.11
(III)	**Total Income (I+II)**		3,316.76	2,709.32
	Expenses			
(i)	Finance costs	29	1,330.36	1,183.46
(ii)	Net loss on derecognition of financial instruments under FVTOCI	27	1.03	-
(iii)	Impairment on financial instruments	30	116.64	138.05
(iv)	Employee benefits expenses	31	368.45	263.04
(v)	Depreciation, amortization and impairment	11A-13B	26.46	14.58
(vi)	Other expenses	32	159.47	109.67
(IV)	**Total Expenses**		2,002.41	1,708.80
(V)	**Profit / (Loss) before tax and share of profit / (loss) of associate (III-IV)**		1,314.35	1,000.52
(VI)	**Profit / (loss) from associate accounted for using the Equity Method**		-	3.76
(VII)	**Profit Before Tax (V+VI)**		1,314.35	1,004.28
	Tax Expenses:			
(i)	Current tax	33	273.26	230.77
(ii)	Deferred tax	10	24.62	6.18
(iii)	Adjustment of tax relating to earlier periods	33	(0.08)	(0.79)
(VIII)	**Total Tax Expenses**		297.80	236.16
(IX)	**Profit for the year (VII-VIII)**		1,016.55	768.12
(X)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / loss of defined benefit liabilities/(assets)		(0.81)	(0.48)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.20	0.12
	(iii) Share of Other Comprehensive Income of an Associate		-	0.14
	Subtotal (A)		(0.61)	(0.22)
	B (i) Items that will be reclassified to profit or loss			
	(a) Net movement on effective portion of cash flow hedge		(7.60)	16.83
	(b) Fair value of loans carried at fair value through other comprehensive income		(1.59)	(0.75)
	(ii) Income tax relating to items that will be reclassified to profit or loss		2.31	(4.05)
	Subtotal (B)		(6.88)	12.03
	Other Comprehensive Income (A+B)		(7.49)	11.81
(XI)	**Total Comprehensive Income for the year (IX+X)**		1,009.06	779.93
	Profit for the year attributable to:			
	Shareholders of the company		1,016.55	768.12
	Non controlling interest		-	-
	Other Comprehensive Income for the year attributable to:			
	Shareholders of the company		(7.49)	11.81
	Non controlling interest		-	-
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the company		1,009.06	779.93
	Non controlling interest		-	-
(XII)	**Earnings per Equity Share of face value of Rs. 10 each**	34		
	Basic (Rs.)		385.87	316.90
	Diluted (Rs.)		384.64	316.90
	The accompanying notes are an integral part of the consolidated financial statements			

As per our reports of even date attached

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

Amit Kabra
Partner
Membership No.: 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: May 06, 2024

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R. Venkataraman

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

S.R. BATLIBOI & ASSOCIATES LLP

SURESH SURANA & ASSOCIATES Chartered Accountants

IIFL HOME FINANCE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Cash Flows from Operating Activities		
Profit before tax	1,314.35	1,004.28
Adjustments for:		
Depreciation and amortization	26.46	14.58
Impairment on financial instruments - loans	(128.48)	(3.60)
Finance costs	1,330.36	1,183.46
Interest on Loans	(2,917.05)	(2,299.95)
Net (gain)/loss on derecognition of financial instruments	1.03	(72.54)
Net (gain)/loss on fair value changes	(25.76)	(59.65)
Net (gain)/loss on derecognition of Equity shares under Equity Method	-	(6.59)
Net (gain)/loss on sale of assets	0.03	0.02
Profit from associate	-	(3.76)
Interest paid on borrowings	(1,261.03)	(1,191.07)
(Gain)/loss on termination of lease	(0.96)	(0.06)
Interest received on loans	2,861.38	2,269.74
Employee share based payment expenses	19.77	-
Operating Profit before Working Capital changes	1,220.10	834.86
Changes in Working Capital:		
Adjustments for (increase)/decrease in Other Financial assets	(35.39)	(23.81)
Adjustments for (increase)/decrease in Trade Receivables	3.19	(16.98)
Adjustments for (increase)/decrease in Other Non Financial assets	(2.63)	(1.28)
Adjustments for (increase)/decrease in Balances with banks - Lien marked	0.06	0.48
Adjustments for (increase)/decrease in Loans	(5,214.36)	(2,388.80)
Adjustments for increase/(decrease) in Trade Payables	22.26	0.44
Adjustments for increase/(decrease) in Other financial liabilities	154.28	(41.33)
Adjustments for increase/(decrease) in Other non-financial liabilities	(166.17)	209.52
Adjustments for increase/(decrease) in Provisions	10.01	5.58
Operating Profit after Working Capital changes	(4,008.65)	(1,421.32)
Direct Taxes Paid	(305.44)	(238.14)
Cash generated from/ (used in) Operations	(4,314.09)	(1,659.46)
Net cash generated from / (used in) Operating Activities (A)	(4,314.09)	(1,659.46)
Cash flow from Investing Activities		
Purchase of property, plant and equipment (including intangible assets)	(5.34)	(6.98)
Sale of Property, Plant and Equipment	0.66	1.39
Investment in Fixed deposits	(4,810.01)	(2,636.31)
Proceeds from redemption of Fixed deposits	4,871.07	2,710.62
Purchase of Investments	(8,654.93)	(21,807.34)
Proceeds from sale of investments (including sale of investment in associate during the previous year)	9,522.32	20,858.43
Proceeds from sale of investment property	-	3.98
Net Cash from / (used in) in Investing Activities (B)	923.77	(876.20)
Cash flow from Financing Activities		
Proceeds from fresh issue of Equity shares including premium	-	2,200.00
Share issue expenses	-	(24.13)
Dividend paid	(144.90)	(105.38)
Proceeds from Borrowings	6,742.96	4,159.31
Repayment of Borrowings	(5,286.75)	(3,510.66)
Proceeds from issue of Debt Securities	1,390.00	330.00
Repayment of Debt Securities	(141.90)	(264.03)
Payment of interest on lease liabilities	(5.89)	(3.61)
Principal payment of lease liabilities	(16.69)	(10.26)
Net Cash from/(used in) Financing Activities (C)	2,536.82	2,771.25
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(853.50)	235.59
Cash and cash equivalents as at the beginning of the year	1,635.21	1,399.62
Cash and cash equivalents as at the end of the year	781.71	1,635.21
The accompanying notes are an integral part of the consolidated financial statements		

As per our reports of even date attached
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

Amit Kabra
Partner
Membership No.: 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: May 06, 2024

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

Chartered Accountants

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital*

1. As at March 31, 2024

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
26.34	-	-	-	26.34

2. As at March 31, 2023

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
20.97	-	-	5.37	26.34

*Refer Note 22

B. Other Equity

1. As at March 31, 2024

(₹ in Crores)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	1.35	2,969.65	143.86	561.07	1,837.18	-	5.57	9.09	5,527.77
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.35	2,969.65	143.86	561.07	1,837.18	-	5.57	9.09	5,527.77
Profit for the year	-	-	-	-	1,016.55	-	-	-	1,016.55
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note B)	-	-	-	-	-	-	(5.70)	-	(5.70)
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(1.19)	(1.19)
Remeasurement of defined benefit (Net of Tax) (Refer Note C)	-	-	-	-	(0.61)	-	-	-	(0.61)
Total Comprehensive Income for the year	1.35	2,969.65	143.86	561.07	2,853.12	-	(0.13)	7.90	6,536.84
Addition during the year (Refer Note E)	-	-	-	-	-	19.77	-	-	19.77
Equity Dividend (Refer Note F)	-	-	-	-	(144.90)		-	-	(144.90)
Transfer to Special Reserve (Refer Note D)	-	-	-	205.40	(205.40)	-	-	-	-
Balance at the end of the Current reporting year	1.35	2,969.65	143.86	766.47	2,502.82	19.77	(0.13)	7.90	6,411.71

2. As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	1.35	799.16	143.86	402.97	1,332.76	-	(7.03)	9.65	2,682.72
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.35	799.16	143.86	402.97	1,332.76	-	(7.03)	9.65	2,682.72
Profit for the year	-	-	-	-	768.12	-	-	-	768.12
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note B)	-	-	-	-	-	-	12.60	-	12.60
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(0.56)	(0.56)
Remeasurement of defined benefit (Net of Tax) (Refer Note C)	-	-	-	-	(0.22)	-	-	-	(0.22)
Total Comprehensive Income for the year	1.35	799.16	143.86	402.97	2,100.66	-	5.57	9.09	3,462.66
Addition during the year	-	2,194.62	-	-	-	-	-	-	2,194.62
Share issue expenses (Refer Note A)	-	(24.13)	-	-	-	-	-	-	(24.13)
Equity Dividend (Refer Note F)	-	-	-	-	(105.38)	-	-	-	(105.38)
Transfer to Special Reserve (Refer Note D)	-	-	-	158.10	(158.10)	-	-	-	-
Balance at the end of the Current reporting year	1.35	2,969.65	143.86	561.07	1,837.18	-	5.57	9.09	5,527.77

A. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 crores. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 crores has been charged to securities premium account.

B. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

C. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

D. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

E. The employee stock options reserve represents reserve created in respect of equity settled share options granted to the employees of the Company.

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

F. During the year, the Board of Directors of the Company has declared and paid Interim dividend of ₹ 55 per equity share (P.Y. ₹ 40/-).

The accompanying notes are an integral part of the consolidated financial statements

As per our reports of even date attached
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

Partner
Membership No.: 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: May 06, 2024

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director
(DIN: 07406284)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

S.R. BATLIBOI & ASSOCIATES LLP

IIFL HOME FINANCE LIMITED

Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance Limited. IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with and RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The Company is classified under "Middle Layer" pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale based Regulation) Directions, 2023 dated October 19, 2023 as amended from time to time. The redeemable and non-convertible debentures of the company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company's registered office is at Sun Infotech Park, Road No. 16V, Plot No. B-23 Thane Industrial Area, Wagle Estate, Thane - 400604

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The Consolidated financial statements of IIFL Home Finance Ltd ("the Company") and its subsidiary/associates (together hereinafter referred to as "the Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

The Consolidated financial statements of the Group have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Companies Act, 2013 ("the Act").

i. Control and Significant Influence

Control is achieved when the Company has all the following:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns

Significant Influence
Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

ii. Principles of consolidation:

A. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

IIFL HOME FINANCE LIMITED

Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

B. The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

C. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2024, or till the date significant influence exist.

D. The consolidated financial statements of the Group with subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income, and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

E. The investment in associate is accounted for using the equity method of accounting in consolidated financial statement. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments.

F. The excess of cost to the Group of its investments in the subsidiary and associate companies over its share of equity of the subsidiary and associate companies, at the dates on which the investments in the subsidiary and associate companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

iii. List of subsidiary consolidated

Name of the entity	Relationship	Date of Control / Significant Influence	Proportion of Ownership Interest (%)
			As at March 31, 2024
IIHFL Sales Limited	Subsidiary	September 28, 2021,	100%

(c) Presentation of financial statements

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Consolidated Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Group presents its Consolidated Balance Sheet in the order of liquidity.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded in crores upto two decimals thereof except when otherwise stated.

IIFL HOME FINANCE LIMITED

Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

(d) Basis of measurements

A historical cost is a measure of value used in accounting in which the price of an asset on the consolidated balance sheet is based on its nominal or original cost when acquired by the company.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(e) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the

reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.
The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

ASSOCIATES LLP

IIFL HOME FINANCE LIMITED

IIFL HOME FINANCE LIMITED

Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Group's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.
- Creation of additional management overlay to reflect among other things an increased risk of deterioration in performance of pool of specific assets.

iii. Effective interest rate computation

a. On Financial Assets:

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument and transactional fees/cost that are directly attributable. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the Group at each reporting date and material changes, if any are given effect to.

b. On Financial Liabilities:

Computation of effective interest rate involves significant estimates and judgements with respect to borrowing tenure, nature, and timings of such estimated cashflows considering the contractual terms of the financial instrument and transactional fees/cost that are directly attributable.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in consolidated financial statements the Group uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However, in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group applies appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

S.R. BATLIBOI & ASSOCIATES LLP

IIFL HOME FINANCE LIMITED

IIFL HOME FINANCE LIMITED

Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

v. Taxes

Current Tax: The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for current taxes, including amount expected to be paid/recovered for certain tax positions.

Deferred Tax: Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

vi. Provisions and Contingencies

Provisions and Contingencies are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value of share-based payments: Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

Note 3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Revenue recognition

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

i. Interest income and dividend income

Interest income on financial instruments at measured amortised cost/Fair value through other comprehensive income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable except for financial assets which are

credit impaired. Interest income on pool of loan accounts which are assigned is recognised net off interest payable to assignees on the assigned pool of loan accounts.
The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument adjusted for its past behaviour pattern.

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Interest income is calculated by applying the EIR to the gross carrying amount of non- credit impaired financial assets (i.e., at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is recognised on receipt basis.

Penal Interest are recognised as income on realisation.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Consolidated Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Consolidated Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Income in the form of fees and charges includes cheque bouncing charges, prepayment charges, etc are recognised on realisation.

iii. Net gain / (loss) on Fair Value Changes

Net gain / (loss) on Fair Value Changes includes gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

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

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

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

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

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

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

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(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation, and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Consolidated Balance Sheet are disclosed as "Intangible assets under development."

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.
An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Consolidated Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

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

The estimated useful life of assets is as under:

Class of assets	Life as per Schedule II Companies Act	Useful life as per Group
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

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

Intangible assets i.e., Software are amortised on straight-line basis over the estimated useful life of 3 years.

(f) Impairment of Assets other than financials assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets, intangible assets under development and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets, intangible assets under development and investment property are tested for impairment so as to determine the impairment loss, if any.

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

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

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

(g) Employee benefits

i. Share based payments.

The Company operates Employee Stock Option Scheme ('the Scheme') which provides for the grant of options to acquire equity shares of the Company to its employees and others providing similar services. The options granted to employees' vest in a graded manner, and these may be exercised by the employees within a specified period.
These equity-settled share-based payments to employees are measured at the fair value of the equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity stock options that will eventually vest, with a corresponding increase in other equity (Share option outstanding account). The fair value of options is estimated using valuation techniques, which incorporate exercise price, term, risk-free interest rates, the current share price, its expected volatility etc.
At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the Share option outstanding account.
On cancellation or lapse of option granted to employees, the employee stock option cost charged to statement of profit & loss is credited with corresponding decrease in other equity.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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ii. Defined contribution plans

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

iii. Short term employee benefits

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

iv. **Defined *Benefit Plans***

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Consolidated Statement of Profit and Loss.
Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Consolidated Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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

(h) Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

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As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

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

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

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

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

(i) Taxes on income

Current tax

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

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Deferred tax

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

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

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

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

(j) Financial instruments

Recognition and Initial Measurement

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Consolidated Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

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Financial Assets measured at amortised cost.

Financial assets that meet the following criteria are measured at amortised cost.

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g., if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial Assets measured at fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following criteria are measured at fair value through other comprehensive income. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Consolidated Statement of profit or loss for FVTOC financial assets. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Consolidated Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The gain or loss on disposal is recognised in the Consolidated Statement of Profit and Loss.
Interest income is recognised in the Consolidated Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL.

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Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not measured at fair value through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or

- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the life of the financial instruments.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12-month ECL. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2/Stage 3 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Group records an allowance for the lifetime expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans show significant increase in credit risk and are considered credit- impaired, the Group records an allowance for the lifetime expected credit losses.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is the maximum exposure as on the reporting date. It includes principal, interest and sanctioned but undisbursed amount (with certain exceptions for Stage 3 & SICR cases). Interest also includes interest accrued but not due.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

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- Loss given default ("LGD") estimates the loss which Group incurs post customer default. It is computed using historical loss, recovery experience and value of collateral. It is usually expressed as a percentage of the Exposure at default ("EAD").

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group measures the loss allowance based on lifetime rather than 12-month ECL.

I In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit- impaired) for ECL calculations and upgraded to Stage 1 only on the event of clearance of all overdue of that customer.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

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When a financial asset is modified, the Group assesses whether this modification results in derecognition.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under assignment arrangement; and either

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group assesses the derecognition test where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised, and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Consolidated Statement of Profit and Loss and the corresponding loan is derecognised from the Consolidated Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the estimated life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Suresh Surana & Associates Chartered Accountants Mumbai

S.R. Batliboi & Associates LLP

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Securitisation transactions

In case of securitisation transactions, the Group retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Group continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Financial Assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in credit to impairment on financial instruments.

Financial liabilities and equity Instruments

Financial liability and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are recognised initially at fair value net of transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial liabilities except fair value in case of financial liabilities recorded at fair value through profit or loss,

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

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Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

Offsetting financial instruments: Financial assets and financial liabilities are offset, and the net amount is reported in the interim balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(k) Derivative financial instrument

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in Consolidated Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non- financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in Consolidated Statement of Profit and Loss.

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Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

(l) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(m) Goods and service tax input credit

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

(n) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(o) Foreign currencies

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.
Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(p) Segment reporting

The Managing Director (MD) of the Company has been identified as the chief operating decision maker (CODM) as defined in the IND AS 108. "Operating Segments." Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Group and makes strategic decision.

(q) Provisions, contingent liabilities, and contingent assets

Provisions are recognised only when:

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

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

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Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

a. possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

b. present obligation that arises from past events but is not recognized because;

i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

ii. the amount of the obligation cannot be measured with sufficient reliability.
The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37. Contingent assets are not recognised in the consolidated financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Group recognize such assets. Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

(r) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(t) Statement of Cash Flows

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

- changes during the period in operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses.
- all other items for which the cash effects are investing or financing cash flows.
Cash and cash equivalents (including bank balances) shown in the Consolidated Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

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Notes forming part of Consolidated Financial Statements as at and for year ended March 31, 2024

(u) Dividend

Final dividend on equity shares is recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Group's Board of Directors. The Corresponding amount is recognised directly in other equity.

Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023. The material pronouncement has been disclosed as below:

Ind AS 1 Presentation of Financial Statements:
The amendments require the Company to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of interim financial statements. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the interim financial statements.

Ind AS 12 Income taxes
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the interim balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

S.R. Batliboi & Associates LLP

IIFL Home Finance Limited

Note 4A. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	1.56	1.54
Cheques on hand	1.22	105.73
Balance with banks		
-In current accounts	270.12	89.59
-In deposit accounts (original maturity less than or equal to three months)	508.81	1,438.35
Cash and cash equivalents	781.71	1,635.21

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs	4.64	4.70
In deposit accounts (refer note 4B.1 below)	294.59	354.59
Total	299.23	359.29

Note 4B.1 Out of the deposit accounts shown above:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lien marked towards overdraft facilities	166.54	157.24
Lien marked towards other commitments	47.23	15.42
Margin for credit enhancement	80.80	80.68
Total	294.57	253.34

SURESH SURANA & ASSOCIATES LLP Chartered Accountants * MUMBAI *

S.R. BATLIBOI & ASSOCIATES LLP *

IIFL HOME FINANCE LIMITED *

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Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 5. Derivatives financial instruments

(₹ in Crores)

Part I	As at March 31, 2024				As at March 31, 2023			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
(i) Currency derivatives:								
-Cross currency interest rate swaps	413.10	-	4.26	(4.26)	363.08	44.02	-	44.02
Subtotal (i)	413.10	-	4.26	(4.26)	363.08	44.02	-	44.02
(ii) Other derivatives								
-Forward contract	1,092.46	1.65	-	1.65	968.75	-	2.03	(2.03)
Subtotal (ii)	1,092.46	1.65	-	1.65	968.75	-	2.03	(2.03)
Total derivative (i+ii)	1,505.56	1.65	4.26	(2.61)	1,331.83	44.02	2.03	41.99

(₹ in Crores)

Part II	As at March 31, 2024				As at March 31, 2023			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
- Currency derivatives	413.10	-	4.26	(4.26)	363.08	44.02	-	44.02
-Forward contract	1,092.46	1.65	-	-	-	-	-	-
(ii) Undesignated derivatives								
-Forward contract	-	-	-	1.65	968.75	-	2.03	(2.03)
Total derivative financial instruments (i+ii)	1,505.56	1.65	4.26	(2.61)	1,331.83	44.02	2.03	41.99

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1 and 39 A.3(II).

(₹ in Crores)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2024						
Derivative asset	-	1.65	-	-	-	1.65
Derivative liabilities	-	4.26	-	-	-	4.26
Net Derivative Asset / (Liabilites)	1,505.56	(2.61)	-	-	1,505.56	(2.61)
As at March 31, 2023						
Derivative asset	-	44.02	-	-	-	44.02
Derivative liabilities	-	2.03	-	-	-	2.03
Net Derivative Asset / (Liabilites)	1,331.83	41.99	-	-	1,331.83	41.99

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Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

5.1 Hedging activities and derivatives

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Group is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 18.16 Crores. (as at March 31, 2023 USD 16.79 Crores.). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Group hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with a Derivative Forward Contract.

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Group uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Other Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Notional amount	1,505.56	1,331.83
Carrying amount - Asset / (Liability)	(2.61)	41.99
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	(5.70)	10.04

(₹ In Crores)

Impact of hedging item	FY 2023-24	FY 2022-23
Change in fair value	(5.70)	10.04
Cash flow hedge reserve	(5.70)	12.60
Fair value change charged in Statement of Profit & Loss	-	(2.56)

(₹ In Crores)

Effect of Cash flow hedge	FY 2023-24	FY 2022-23
Total hedging gain / (loss) recognised in OCI	(5.70)	12.60
Total hedging gain / (loss) recognised in the statement of profit or (loss)	-	(2.56)

(₹ In Crores)

Hedging gain / (loss) recognised in OCI	FY 2023-24	FY 2022-23
(Gain)/Loss On Swap Transaction	56.13	49.60
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(48.52)	(32.76)
Tax implication on above	(1.91)	(4.24)
Total	5.70	12.60

(₹ In Crores)

Hedging gain / (loss) recognised in the statement of profit or (loss)	FY 2023-24	FY 2022-23
Gain/(Loss) On Swap Transaction	-	(0.53)
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	-	(2.03)
Total	-	(2.56)

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

S.R. BATLIBOI & ASSOCIATES LLP

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Note 6. Receivables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
Receivables considered good - unsecured	48.02	47.42
Receivables which have significant increase in credit risk	0.20	0.10
Receivables - credit impaired	-	6.45
Total - gross	48.22	53.97
Less: Impairment loss allowance		
Receivables which have significant increase in credit risk	(0.04)	(0.02)
Receivables - credit impaired	-	(6.45)
Total	48.18	47.50

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.

Trade Receivables are not interest bearing.

Trade Receivables aging schedule

(₹ in Crores)

Particulars	Unbilled	Outstanding for following period from the date of transaction: Less than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
As at March 31, 2024							
Undisputed Trade receivables - considered good	10.98	37.04	-	-	-	-	48.02
Undisputed Trade receivables - significant increase in credit risk	-	0.03	0.15	0.02	-	-	0.20
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
As at March 31, 2023							
Undisputed Trade receivables considered good	2.34	45.08	-	-	-	-	47.42
Undisputed Trade receivables - significant increase in credit risk	-	0.06	0.04	-	-	-	0.10
Undisputed Trade receivables - credit impaired	-	-	6.45	-	-	-	6.45

Less than 6 months include ₹ 36.86 crs. which are not due as at March 31, 2024 (as at March 31, 2023 ₹ 30.22 crs.)

Note 7. Loans

(₹ in Crores)

Particulars	As at March 31, 2024: Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	19,656.78	3,828.32	23,485.10
Total (A) - Gross	19,656.78	3,828.32	23,485.10
Less: Impairment loss allowance	(353.53)	(17.47)	(371.00)
Total (A) - Net	19,303.25	3,810.85	23,114.10
(B)			
(i) Secured by tangible assets	19,593.36	3,828.32	23,421.68
(ii) Secured by Government Guarantee	57.30	-	57.30
(iii) Unsecured	6.12	-	6.12
Total (B) - Gross	19,656.78	3,828.32	23,485.10
Less: Impairment loss allowance	(353.53)	(17.47)	(371.00)
Total (B) - Net	19,303.25	3,810.85	23,114.10
(C)			
(I) Loans in India	19,656.78	3,828.32	23,485.10
(i) Public sector	-	-	-
(ii) Other than Public sector	19,656.78	3,828.32	23,485.10
Less: Impairment loss allowance	(353.53)	(17.47)	(371.00)
Total (C) -(I) Net	19,303.25	3,810.85	23,114.10
(II) Loans outside India			
Less: Impairment loss allowance	-	-	-
Total (C) (II)	-	-	
Total C (I) and C (II)	19,303.25	3,810.85	23,114.10

(₹ in Crores)

Particulars	As at March 31, 2023: Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	15,360.71	2,854.50	18,215.21
Total (A) - Gross	15,360.71	2,854.50	18,215.21
Less: Impairment loss allowance	(468.74)	(25.31)	(494.05)
Total (A) - Net	14,891.97	2,829.19	17,721.16
(B)			
(i) Secured by tangible assets	15,210.70	2,853.78	18,064.48
(ii) Secured by Government Guarantee	144.39	0.72	145.11
(iii) Unsecured	5.62	-	5.62
Total (B) - Gross	15,360.71	2,854.50	18,215.21
Less: Impairment loss allowance	(468.74)	(25.31)	(494.05)
Total (B) - Net	14,891.97	2,829.19	17,721.16
(C)			
(I) Loans in India	15,360.71	2,854.50	18,215.21
(i) Public sector	-	-	-
(ii) Other than Public sector	15,360.71	2,854.50	18,215.21
Less: Impairment loss allowance	(468.74)	(25.31)	(494.05)
Total (C) -(I) Net	14,891.97	2,829.19	17,721.16
(II) Loans outside India			
Less: Impairment loss allowance	-	-	-
Total (C) (II)	-	-	-
Total C (I) and C (II)	14,891.97	2,829.19	17,721.16

The above Term Loans includes ₹ 229.19 Crores (as at March 31, 2023, ₹ 172.98 Crores) towards interest accrued and overdues, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Unsecured represents amount where in the exposure exceeds the collateral value.

Note 7.1

The Group has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

Note 8. Investments

(₹ in Crores)

Particulars	As at March 31, 2024: FVTPL	At Amortised Cost	Total
(A)			
(i) Investments in Government Securities	50.89	-	50.89
(ii) Investments in Debt Securities	241.21	75.93	317.14
(iii) Investment in Others:			
(a) Pass through certificates	-	6.20	6.20
(b) Commercial Papers	-	99.35	99.35
(c) Security receipts	109.50	-	109.50
Total - Gross (A)	401.60	181.48	583.08
(B)			
(i) Investments in India	401.60	181.48	583.08
Total (B)	401.60	181.48	583.08
		-	
(C)			
Less: Impairment loss allowance	-	(1.00)	(1.00)
Total- Net (A-C)	401.60	180.48	582.08

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Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

(₹ in Crores)

Particulars	As at March 31, 2023 FVTPL	At Amortised Cost	Total
(A)			
(i) Investments in Debt Securities	210.13	-	210.13
(ii) Investment in Others:			
(a) Alternate Investment Funds	161.44	-	161.44
(b) Pass through certificates	-	7.61	7.61
(c) Certificate of Deposits	-	650.59	650.59
(d) Commercial Papers	-	397.42	397.42
Total - Gross (A)	371.57	1,055.62	1,427.19
(B)			
(i) Investments in India	371.57	1,055.62	1,427.19
Total (B)	371.57	1,055.62	1,427.19
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	371.57	1,055.62	1,427.19

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2024 Quantity (In actuals)	Carrying Value (₹ in Crores)
Investments in Debt Securities		
Measured at FVTPL:		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29May26 FV Rs 10Lac	22	2.24
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May25 FV Rs 10Lac	250	25.34
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May31 FV Rs10Lac	250	26.55
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May24 FV Rs10Lac	250	6.30
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May27 FV Rs10Lac	250	25.71
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May28 FV Rs 10Lac	250	25.77
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May29 FV Rs 10Lac	250	25.78
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May30 FV Rs 10Lac	250	26.14
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May32 FV Rs 10Lac	250	26.39
Adani Ports And Special Economic Zone Limited SR 1 8.70 NCD 04JN29 FVRS1LAC	5,000	50.99
Total		241.21
Measured at Amortised Cost:		
Vatika One India Next Private Limited - 15.35 NCD FV Rs 1 lac	4,240	44.98
Vatika Limited - 16.55 NCD FV Rs 1 Lac	2,073	30.95
Total		75.93
Investment in Other securities:		
Investment in Security Receipts		
RARE ARC 06803	10,95,000	109.50
Investment in Government Securities		
7.18% G.S. 2033	50,00,000	50.89
Pass through certificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	6.20
Commercial Papers:		
Deutsche Investments India Private Limited 162D CP 30Apr24	1,000	49.66
National Bank For Agriculture And Rural Development 910 CP 30Apr24	1,000	49.69
Total		99.35

Particulars	As at March 31, 2023 Quantity (In actuals)	Carrying Value (₹ in Crores)
Investments in Debt Securities		
Measured at FVTPL:		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29May26 FV Rs 10Lac	22	2.25
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May25 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May31 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May23 FV Rs 2.5Lac	250	6.31
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May24 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May27 FV Rs10Lac	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May28 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May29 FV Rs 10Lac	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May30 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May32 FV Rs 10Lac	250	25.21
Total		210.13
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	13,43,11,931	161.44
Pass through certificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	7.61
Certificate of Deposits:		
Axis Bank Limited CD 15May23	500	24.79
Bank of Maharashtra CD 05Apr23	2,000	99.92
Bank of Maharashtra CD 12May23	1,000	49.60
Canara Bank CD 17Apr23	2,000	99.69
HDFC Bank Limited CD 13Apr23	2,000	99.77
HDFC Bank Limited CD 15May23	1,600	79.33
Punjab National Bank CD 18May23	2,000	99.09
Punjab National Bank CD 23Jun23	2,000	98.40
Total		650.59
Commercial Papers:		
National Bank For Agriculture And Rural Development 90D CP 20Apr23	6,000	298.87
Small Industries Development Bank of India 91D CP 16Jun23	2,000	98.55
Total		397.42

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Note 9. Other financial assets

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Security deposits		
- Unsecured, considered good	5.71	4.19
- Unsecured, which have significant increase in credit risk	0.76	0.92
Less: Impairment loss allowance (Refer Note 9.1 below)	(0.76)	(0.92)
Interest strip asset on assignment	374.55	375.59
Other receivables*	108.25	74.37
Total	488.50	454.15

* Includes amount peratining to receivables on account of assignment transaction.

Note 9.1. Impairment loss allowance on Security Deposits

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening provision	0.92	0.80
Additions	0.04	0.13
Reductions	(0.18)	(0.01)
Closing provision	0.76	0.92

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2024 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.64	0.12	-	0.76
Expected credit losses	127.22	(33.59)	-	93.63
Provision for employee benefits	2.67	1.56	0.20	4.43
Lease Liabilities	13.37	2.89	-	16.26
Adjustment pertaining to income and expenses recognition based on effective interest rate	26.83	7.46	-	34.29
Fair value of financial instruments			0.40	0.40
Fair value of derivative financial instruments	(11.20)	-	14.13	2.92
Total deferred tax assets (A)	159.54	(21.56)	14.73	152.69
Deferred tax liabilities:				
Interest strip asset on assignment	(94.53)	0.26	-	(94.27)
Fair value of financial instruments	(6.51)	(1.49)	-	(8.00)
Right of use of Assets	(12.66)	(1.82)	-	(14.48)
Total deferred tax liabilities (B)	(113.70)	(3.05)	-	(116.74)
Deferred tax assets (A+B)	45.84	(24.61)	14.73	35.95

Significant components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

(₹ In Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	0.65	(0.01)	-	0.64
Expected credit losses	128.13	(0.91)	-	127.22
Provision for employee benefits	1.64	0.91	0.12	2.67
Lease Liabilities	0.67	0.05	-	0.72
Adjustment pertaining to income and expenses recognition based on effective interest rate	20.17	6.66	-	26.83
Total deferred tax assets (A)	151.26	6.70	0.12	158.08
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(8.83)	8.83	-	-
Interest strip asset on assignment	(76.27)	(18.26)	-	(94.53)
Fair value of financial instruments	(3.23)	(3.45)	0.17	(6.51)
Fair value of derivative financial instruments	1.27	-	(12.47)	(11.20)
Total deferred tax liabilities (B)	(87.06)	(12.88)	(12.30)	(112.24)
Deferred tax assets (A+B)	64.20	(6.18)	(12.18)	45.84

Note 11A. Investment Property

(₹ in Crores)

Particulars	Building
As at April 01, 2022	7.48
Additions	-
Deductions/Adjustments	4.73
As at March 31, 2023	2.75
Additions	-
Deductions/Adjustments	-
As at March 31, 2024	2.75
Accumulated Depreciation	
As at April 01, 2022	0.85
Depreciation for the year	0.36
Deductions/Adjustments	0.75
As at March 31, 2023	0.46
Depreciation for the year	0.13
Deductions/Adjustments	-
As at March 31, 2024	0.59
Net Block as at March 31, 2023	2.29
Net Block as at March 31, 2024	2.16

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ In Crores)

Particulars	Building
As at April 01, 2022	8.78
Additions resulting from acquisition	-
Changes in the fair value (including sale)	(5.10)
As at March 31, 2023	13.88
Additions resulting from acquisition	-
Changes in the fair value (including sale)	0.22
As at March 31, 2024	14.09

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an independent un-registered Valuer. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used.

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Note 11A.2. Title deeds of Immovable Property not held in name of the Company

As at March 31, 2024 (₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

As at March 31, 2023 (₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

Note 11B. Property, Plant and Equipment

(₹ In Crores)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
As at April 01, 2022	0.09	1.53	0.95	0.78	10.20	-	13.63
Additions	-	0.22	0.15	0.64	4.61	0.69	6.30
Deductions/Adjustments	-	0.08	0.01	0.04	2.18	-	2.31
As at March 31, 2023	0.09	1.67	1.09	1.38	12.71	0.69	17.64
Additions	-	0.62	0.25	0.45	3.91	-	5.23
Deductions/Adjustments	-	0.32	0.08	0.15	2.55	-	3.10
As at March 31, 2024	0.09	1.97	1.26	1.68	14.07	0.69	19.77
Accumulated Depreciation							
As at April 01, 2022	-	0.95	0.63	0.51	4.97	-	7.06
Depreciation for the year	-	0.26	0.15	0.21	2.85	0.05	3.52
Deductions/Adjustments	-	0.07	0.01	0.04	0.74	-	0.86
As at March 31, 2023	-	1.14	0.77	0.68	7.08	0.05	9.73
Depreciation for the year	-	0.34	0.17	0.27	3.49	0.14	4.41
Deductions/Adjustments	-	0.23	0.04	0.08	1.62	-	1.97
As at March 31, 2024	-	1.25	0.90	0.87	8.94	0.19	12.16
Net Block as at March 31, 2023	0.09	0.53	0.32	0.70	5.63	0.64	7.91
Net Block as at March 31, 2024	0.09	0.72	0.36	0.81	5.13	0.50	7.61

* The above Freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12. Intangible asset under development

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.11	-
Additions during the year*	0.34	0.11
Capitalised during the year	0.11	-
Closing balance	0.34	0.11

* Amount is included in Other Non-financial Assets as at March 31, 2023.

Statement showing ageing schedule of Intangible Assets under development

(₹ In Crores)

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.34	-	-	-	0.34
Projects temporarily suspended	-	-	-	-	-
TOTAL	0.34	-	-	-	0.34

(₹ In Crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress*	0.11	-	-	-	0.11
Projects temporarily suspended	-	-	-	-	-
TOTAL	0.11	-	-	-	0.11

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 13B. Other Intangible Assets

(₹ In Crores)

Particulars	Computer Software
As at April 01, 2022	1.22
Additions	0.47
Deductions/Adjustments	-
As at March 31, 2023	1.69
Additions	0.45
Deductions/Adjustments	-
As at March 31, 2024	2.14
Accumulated Depreciation	
As at April 01, 2022	1.04
Depreciation For the year	0.21
Deductions/Adjustments	-
As at March 31, 2023	1.25
Depreciation For the year	0.33
Deductions/Adjustments	-
As at March 31, 2024	1.58
Net Block as at March 31, 2023	0.44
Net Block as at March 31, 2024	0.56

The Group has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

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Note 12A. Lease Liability
Statement showing movement in lease liabilities

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at April 01, 2022	24.64	1.00	25.64
Additions	34.19	3.28	37.47
Deductions/Adjustments	0.80	0.06	0.86
Finance cost accrued during the year	3.42	0.18	3.60
Payment of lease liabilities	13.00	0.85	13.85
As at March 31, 2023	48.45	3.55	52.00
Additions	30.86	1.81	32.67
Deductions/Adjustments	4.64	0.08	4.72
Finance cost accrued during the year	5.65	0.24	5.89
Payment of lease liabilities	20.91	1.67	22.58
As at March 31, 2024	59.31	3.95	63.26

Note 13A. Right of use assets
Statement showing carrying value of right of use assets

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at April 01, 2022	22.43	0.95	23.38
Additions	34.45	3.28	37.73
Deductions/Adjustments	0.32	0.07	0.39
Depreciation	9.74	0.76	10.50
As at March 31, 2023	46.82	3.40	50.22
Additions	30.86	1.81	32.67
Deductions/Adjustments	3.71	0.08	3.79
Depreciation	20.10	1.40	21.50
As at March 31, 2024	53.79	3.73	57.52

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	22.49	15.11
Non- Current lease liabilities	40.77	36.89
Total	63.26	52.00

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Due for		
Up to One year	27.08	19.33
One year to Two years	16.37	18.39
Two to Five years	18.56	17.89
More than Five years	11.06	7.33
Total	73.07	62.94

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Interest on lease liabilities	5.89	3.61
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.15	0.21
Total	6.04	3.82

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Payment of interest on lease liabilities	5.89	3.61
Payment of lease liabilities	16.69	10.26
Total cash outflows for leases	22.58	13.87

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Note 14. Other Non Financial Assets

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances*	0.07	0.31
Prepaid expenses	5.80	3.78
Advances to vendors	2.33	2.10
Staff advances	0.02	0.01
Total	8.22	6.20

* Includes Intangible Assets Under Development ₹ 0.11 crores as at March 31, 2023.

Note 15. Trade Payables

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	3.12	3.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	67.97	48.37
Total	71.09	51.38

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Principal amount remaining unpaid to any supplier at the year end	3.12	3.01
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Trade Payables aging schedule

(₹ In Crores)

Particulars	Outstanding for following period from the date of transaction					Total
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
As at March 31, 2024						
(i) Total outstanding dues of micro enterprises and small enterprises	3.08	0.04	-	-	-	3.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	61.59	6.30	0.05	-	0.03	67.97
As at March 31, 2023						
(i) Total outstanding dues of micro enterprises and small enterprises	3.00	0.01	-	-	-	3.01
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	45.46	2.91	-	-	-	48.37

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

Note 16. Debt Securities

(₹ In Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	3221.89	2109.31
Zero Coupon Bonds - (Refer Note (a) and 16.1)	158.51	144.91
Total (A)	3,380.40	2,254.22
Unsecured:		
Commercial Paper - (Refer Note 16.1)	232.64	-
Total (B)	232.64	-
Total (A+B)	3,613.04	2,254.22
Debt securities in India	3,613.04	2,254.22
Debt securities outside India	-	-

a. The above Non Convertible Debentures (NCDs) and Bonds are secured by way of first pari passu charge in favor of Debenture Trustee by way of hypothecation on receivables of the Group, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in favor of certain existing charge holders. The NCDs/Bonds, other than Market linked debentures (MLDs) are issued with fixed coupon rate and redeemable at par. NCDs/Bonds in the nature of MLDs are G-Sec linked and the interest is payable on maturity.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contains a repayment clause by way of reduction in face value ₹ 15.00 Crores (from March 20, 2024) (As at March 31, 2023 ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024)) and NCDs carrying call and put option of ₹ 280.00 Crores (from April 02, 2025) (As at March 31, 2023 ₹ 280.00 Crores (from April 02, 2025)).

Note 16.1 - Terms of repayment

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest	Amount	Rate of Interest
Secured NCD (A)				
(a) Fixed:				
More than 5 years	933.69	5.00% - 9.18%	1,315.50	5.00% - 9.18%
3- 5 Years	956.36	5.00% - 8.75%	215.25	8.20% - 8.52%
1-3 Years	940.03	5.00% - 10.05%	535.72	8.25% - 10.33%
Less than 1 year	391.81	5.00% - 8.59%	42.84	5.00% - 10.33%
Total Secured NCD (A)	3,221.89		2,109.31	

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(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Yield	Amount	Yield
Secured Zero Coupon (B)				
More than 5 years	-		6.15	8.75%
3- 5 Years	6.65	8.75%	4.72	8.50%
1-3 Years	5.13	8.50%	134.04	8.25% - 10.30%
Less than 1 year	146.73	8.25% - 10.30%	-	
Total Secured Zero Coupon (B)	158.51		144.91	

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured (C)				
Commercial Paper				
Less than 1 year	232.64	9.05%	-	
Total Unsecured (C)	232.64		-	

Note 16.2(a) - Security wise details of Secured NCD

(₹ In Crores)

Particulars	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche II. Date of maturity - 03/01/2025	8.25%	225.72	225.72
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Date of maturity - 19/12/2025	10.33%	-	15.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Date of maturity - 20/03/2026	10.05%	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8. Date of maturity - 31/03/2026	8.50%	280.00	280.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D9. Date of maturity 22/05/2026	8.50%	320.00	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series D7. Date of maturity - 28/09/2026	8.20%	112.00	112.00
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series III Tranche II. Date of maturity - 03/01/2027	8.20%	52.65	52.65
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV Tranche II. Date of maturity - 03/01/2027	8.50%	13.60	13.60
8.36% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series D10. Date of maturity - 15/08/2027	8.36%	273.33	-
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D3. Date of maturity - 11/02/2028	8.60%	18.00	18.00
8.62% Secured Rated Listed Redeemable Non Convertible Debentures. Series D4. Date of maturity - 12/03/2028	8.62%	19.00	19.00
8.36% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series D10. Date of maturity - 15/08/2028	8.36%	273.33	-
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series VI Tranche II. Date of maturity - 03/01/2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series VII Tranche II. Date of maturity - 03/01/2029	8.75%	22.18	22.18
8.70% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5. Date of maturity - 16/04/2029	8.70%	36.00	36.00
8.36% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series D10. Date of maturity - 15/08/2029	8.36%	273.33	-
9.18% Secured Rated Listed Redeemable Non Convertible Debentures. Series C15. Date of maturity - 03/10/2029	9.18%	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series AD I. Date of maturity - 25/02/2030	8.59%	371.40	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures. Series D6. Date of maturity - 14/05/2030	8.70%	109.00	109.00
8.69% Secured Rated Listed Redeemable Non Convertible Debentures. Series. Series D2 Date of maturity - 12/11/2030	8.69%	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series AD II. Date of maturity - 28/02/2031	5.00%	74.70	74.70
Total		3,142.98	2,079.89

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 16.2(b) - Security wise details of Secured Zero Coupon Bond

(₹ In Crores)

Particulars	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date of maturity - 25/04/2024	9.12%	51.30	51.30
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date of maturity - 27/06/2024	10.30%	20.00	20.00
Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche II. Date of maturity - 03/01/2025	8.25%	26.73	26.73
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche II. Date of maturity - 03/01/2027	8.50%	4.25	4.25
Secured Rated Listed Redeemable Non Convertible Debenture. Series VIII Tranche II. Date of maturity - 03/01/2029	8.75%	5.53	5.53
Total		107.81	107.81

Note: Statement showing contractual principal outstanding of Secured Zero Coupon Bond

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Chartered Accountants
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Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 17. Borrowings (other than debt securities)

(₹ In Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	6,655.25	7,676.51
(ii) from National Housing Bank (NHB) (Refer Note (a), (b), (c) and 17.2)	4,791.48	3,085.44
(iii) from Financial Institution (Refer Note (b) and 17.3)	1,321.07	678.89
(b) Securitisation Liability (Refer Note 17.4)	145.27	179.68
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	120.11	0.15
Total	13,033.18	11,620.67
Borrowings in India*	12,615.19	11,198.53
Borrowings outside India	417.99	422.14
Total	13,033.18	11,620.67

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 20.00 Crores (As at March 31, 2023 ₹ 20.00 Crores) and Refinance Facility from NHB amounting to ₹ 390.32 Crores (As at March 31, 2023 ₹ 564.94 Crores) are also guaranteed by Holding Company i.e. IIFL Finance Limited.

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari passu charge by way of hypothecation on receivables of the Group, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in favor of certain existing charge holders. Further, borrowings from Financial Institution amounting to ₹ 413.10 Crores (before interest accrued but not due, exchange fluctuation and EIR adjustments) (As at March 31 2023 Nil) are secured by way of first priority exclusive charge on the identified receivables of the Company.

c. Borrowings from NHB includes ₹ 4,401.16 Crores (As at March 31, 2023 ₹ 2,520.49 Crores) secured by way of first exclusive charge on unencumbered individual housing loan portfolio in Favor of NHB.

* This includes FCNB borrowings amounting to ₹ 1,106.17 Crores (As at March 31, 2023 ₹ 972.39 Crores.).

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	906.87	8.49%-9.30%	1,249.63	7.70% - 9.00%
3- 5 Years	1,695.43	8.49%-9.55%	1,555.15	7.70% - 9.55%
1-3 Years	2,520.42	8.39%-9.55%	2,487.03	7.70% - 9.55%
Less than 1 year	1,532.53	8.39%-9.55%	2,384.70	7.70% - 9.70%
Total	6,655.25		7,676.51	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	1,435.70	2.80% - 8.50%	783.14	2.80% - 7.90%
3- 5 Years	1,227.19	2.80% - 8.50%	723.32	2.80% - 7.90%
1-3 Years	1,415.93	2.80% - 9.00%	1,092.71	2.80% - 8.40%
Less than 1 year	712.66	2.80% - 9.00%	486.27	2.80% - 8.40%
Total	4,791.48		3,085.44	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	311.12	0.09	315.70	0.09
3- 5 Years	235.41	0.09	166.63	0.09
1-3 Years	254.19	0.09	140.08	0.09
Less than 1 year	102.36	0.09	56.48	0.09
Sub-Total - Floating (A)	903.08		678.89	
Fixed:				
More than 5 years	198.84	5.84%	-	
3- 5 Years	91.80	5.84%	-	
1-3 Years	91.80	5.84%	-	
Less than 1 year	35.55	5.84%	-	
Sub-Total - Fixed (B)	417.99		-	
Total (A+B)	1,321.07		678.89	

Note 17. 4 - Terms of repayment of other loans

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	120.11	8.80%	0.15	6.35%
Securitisation Liability (B)				
More than 5 years	112.80	8.10% - 9.35%	143.06	7.30% - 8.05%
3- 5 Years	13.22	8.10% - 9.35%	15.22	7.30% - 8.05%
1-3 Years	12.71	8.10% - 9.35%	14.56	7.30% - 8.05%
Less than 1 year	6.55	8.10% - 9.35%	6.84	7.30% - 8.05%
Sub-Total - Securitisation Liability	145.28		179.68	
Total (A+B)	265.39		179.83	

Note 18. Subordinated liabilities

(₹ In Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Non-convertible debentures - Unsecured	829.22	886.46
Zero Coupon Bonds - Unsecured	208.16	191.85
Total	1,037.38	1,078.31
Subordinated Liabilities in India	1,037.38	1,078.31
Subordinated Liabilities outside India	-	-
Total	1,037.38	1,078.31

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores. (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores. (from July 14, 2025) (as at March 31, 2023 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores. (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025)).

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Note 18.1 - Terms of repayment of Subordinated Debt

(₹ In Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest	Amount	Rate of Interest
(a) Fixed:				
More than 5 years	-		708.14	9.60% - 10.02%
3- 5 Years	803.69	8.85% - 10.02%	85.00	8.85% - 9.05%
1-3 Years	-		-	
Less than 1 year	25.53	8.85% - 10.02%	93.32	8.93% - 9.30%
Total Non-convertible debentures - Unsecured	829.22		886.46	

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Yield	Amount	Yield
(b) Zero Coupon:				
More than 5 years	-		191.85	9.40%
3- 5 Years	208.16	9.40%	-	
Total Zero Coupon Bonds - Unsecured	208.16		191.85	

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity As at March 31, 2024, 78% (As at March 31, 2023 92%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2(a) - Security wise details of Non-convertible debentures - Unsecured

(₹ In Crores)

Particulars	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.93% Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U07 Date of maturity - 14/04/2023	8.93%	-	50.00
9.30% Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U05. Date of maturity - 29/05/2023	9.30%	-	15.00
8.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series U06. Date of maturity - 27/07/2027	8.85%	75.00	75.00
9.05% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U08. Date of maturity - 28/02/2028	9.05%	10.00	10.00
9.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U09. Date of maturity - 16/06/2028	9.85%	40.00	40.00
9.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U010. Date of maturity - 13/07/2028	9.85%	30.00	30.00
10% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series I. Date of maturity - 03/11/2028	10.00%	232.72	232.72
9.6% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series II. Date of maturity - 03/11/2028	9.60%	382.82	382.82
Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series III. Date of maturity - 03/11/2028	10.02%	40.28	40.28
Total		810.82	875.82

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 18.2(b) - Security wise details of Non-convertible debentures - Unsecured

(₹ In Crores)

Particulars	Yield	As at March 31, 2024	As at March 31, 2023
Zero Coupon G-Sec Linked Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series Ua3. Date of maturity - 11/08/2028	9.40%	126.30	126.30
Total		126.30	126.30

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 19. Other Financial Liabilities

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Book overdraft*	952.02	778.85
Unclaimed interest and redemption proceeds of NCDs**	4.61	4.67
Other payables#	95.55	119.60
Total	1,052.18	903.12

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.08 Crores. (as at March 31, 2023 ₹ 0.09 Crores.) to the Investor Education and Protection Fund (IEPF). As of March 31, 2024, ₹ 0.00 Crores. (as at March 31, 2023 ₹ 0.00 Crores) was due for transfer to the IEPF.

\# Primarily includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crores. (as at March 31, 2023 ₹ 0.04 Crores) and liability towards assignment payable.

Note 20. Provisions

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for Employee Benefits		
-Provision for Leave Encashment	10.91	7.62
-Provision for Gratuity (Refer 32.2)	3.94	0.82
-Provision for Bonus	16.19	11.78
Total	31.04	20.22

Note 21. Other Non Financial Liabilities

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory remittances	16.18	10.25
Unspent CSR (Refer note no 30A)	6.90	5.20
Advances from borrowers	76.96	245.55
Total	100.04	261.00

IIFL HOME FINANCE LIMITED
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Note 22. Equity share capital

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

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2023 - 152,000,000)	152.00	152.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2023 20,000,000)	20.00	20.00
Total	172.00	172.00
Issued, Subscribed and Paid Up		
Equity Share Capital	-	-
26,344,638 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2023 - 26,344,638)	26.34	26.34
Total	26.34	26.34

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

(₹ In Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,63,44,638	26.34	2,09,68,181	20.97
Add: Issued during the year	-	-	53,76,457	5.37
Outstanding at the end of the year	2,63,44,638	26.34	2,63,44,638	26.34

During the year ended March 2023, the Company has allotted 5,376,457 equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share

(c) Terms/rights attached to equity shares:

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

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (holding company) and its nominees	2,09,68,181	79.59%	2,09,68,181	79.59%
Platinum Owl C 2018 RSC Limited	53,76,457	20.41%	53,76,457	20.41%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2024	IIFL Finance Limited	2,09,68,181	79.59%	-
As at March 31, 2023	IIFL Finance Limited	2,09,68,181	79.59%	-20.41%

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 500 shares (As at March 31, 2023 500 shares).

Note 23: Other Equity

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Reserve		
Opening Balance	1.35	1.35
Add: Additions during the year	-	-
Closing Balance	1.35	1.35
Securities Premium Reserve		
Opening Balance	2,969.65	799.16
Add: Additions during the year	-	2,194.62
less: Share issue expenses	-	(24.13)
Closing Balance	2,969.65	2,969.65
General Reserve		
Opening Balance	143.86	143.86
Add: Additions during the year	-	-
Closing Balance	143.86	143.86
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening Balance	561.07	402.97
Add: Transfer from retained earnings	205.40	158.10
Closing Balance	766.47	561.07
Retained Earnings - remeasurement of defined benefit		
Opening Balance	(1.02)	(0.80)
Other comprehensive income for the year	(0.61)	(0.22)
Closing Balance	(1.63)	(1.02)
Retained Earnings - other than remeasurement of defined benefit		
Opening Balance	1,838.20	1,333.56
Add: Profit for the year	1,016.55	768.12
Less: Equity dividend	(144.90)	(105.38)
Less: Transfer to special reserve	(205.40)	(158.10)
Closing Balance	2,504.45	1,838.20
Share Option Outstanding Account		
Opening Balance	-	-
Add: Addition during the year	19.77	-
Closing Balance	19.77	-
Effective portion of Cash Flow Hedges		
Opening Balance	5.57	(7.03)
Add: Other comprehensive income / (loss)	(5.70)	12.60
Closing Balance	(0.13)	5.57
Fair value of loans carried at FVTOCI		
Opening Balance	9.09	9.65
Add: Other comprehensive income/ (loss)	(1.19)	(0.56)
Closing Balance	7.90	9.09
Total	6,411.71	5,527.77

Note 23.1 Nature and purpose of reserve

Securities Premium
Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve
The Group created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956, wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act, 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve is a free reserve available to the Company for distribution.

Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987
As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

Retained Earnings - remeasurement of defined benefit
The Group recognises change on account of remeasurement of the net defined benefit liability / asset as part of retained earnings.

Retained Earnings - other than remeasurement of defined benefit
Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Share Option Outstanding Account
The employee stock options reserve represents reserve created in respect of equity settled share options granted to the employees of the Group.

Effective portion of Cash Flow Hedges
The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

Fair value of loans carried at FVTOCI
The amount represents cumulative gains/(losses) arising on account of fair valuation of pools(loans) set aside for sell basis the business model.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

S.R. Batliboi & Associates LLP

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Note 24. Interest Income

(₹ in Crores)

Particulars	FY 2023-24			
	FVTOCI	On Financial Assets measured at Amortised Cost	FVTPL	Total
Interest on Loans	341.87	2,418.82	23.67	2,784.36
Interest income from investments	-	34.58	19.95	54.53
Interest on inter corporate deposits	-	42.18	-	42.18
Interest on deposits with Banks*	-	41.22	-	41.22
Total	**341.87**	**2,536.80**	**43.62**	**2,922.29**

*Includes interest income on security deposits

(₹ in Crores)

Particulars	FY 2022-23			
	FVTOCI	On Financial Assets measured at Amortised Cost	FVTPL	Total
Interest on Loans	232.15	1,948.67	-	2,180.82
Interest income from investments	-	28.02	13.61	41.63
Interest on inter corporate deposits	-	11.34	-	11.34
Interest on deposits with Banks*	-	66.15	-	66.15
Total	**232.15**	**2,054.19**	**13.61**	**2,299.95**

*Includes interest income on security deposits

Note 25. Fees and Commission Income

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Fees & Other Charges*	93.73	85.81
Insurance & Distribution Commission	100.53	28.67
Total	**194.26**	**114.48**

* Includes fee and charges in the nature of service fee, foreclosure, etc.

Note 26. Net gain on Fair Value Changes

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Net Gain /(loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	25.76	59.65
- Others	(21.29)	-
Total Net gain on fair value changes	**4.47**	**59.65**
Fair Value changes:		
-Realised	(1.83)	45.92
-Unrealised	6.30	13.73
Total Net gain on fair value changes	**4.47**	**59.65**

Note 27. Net gain/(loss) on derecognition of financial instruments under FVTOCI

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Assignment of loans	(1.03)	72.54
Total	**(1.03)**	**72.54**

Note 28. Other Income

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Marketing, advertisement and support service fees	195.74	156.11
Total	**195.74**	**156.11**

Note 29. Finance Costs

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2023-24	FY 2022-23
Interest on borrowings (other than debt securities)	940.12	880.46
Interest on debt securities	258.92	172.18
Interest on subordinated liabilities	97.97	101.19
Other interest expense		
Interest on lease liabilities	5.89	3.61
Other borrowing cost	27.46	26.02
Total	**1,330.36**	**1,183.46**

Statement showing exchange fluctuation on account of foreign currency borrowings:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Revaluation Gain/(Loss) on Foreign currency loan	(48.52)	(35.33)
Recognised in Other Comprehensive Income	48.52	32.77
Recognised in Statement of Profit and Loss	-	(2.56)

Note 30. Impairment on Financial Instruments, including write-offs

(₹ In Crores)

Particulars	FY 2023-24 On Financial Assets measured at FVTOCI	FY 2023-24 On Financial Assets measured at Amortised Cost	Total
Loans	(7.84)	(115.21)	(123.05)
Receivables	-	(6.43)	(6.43)
Investments	-	1.00	1.00
Bad debts written off (Net of recovery)	-	245.12	245.12
Total	(7.84)	124.48	116.64

(₹ In Crores)

Particulars	FY 2022-23 On Financial Assets measured at FVTOCI	FY 2022-23 On Financial Assets measured at Amortised Cost	Total
Loans	(2.00)	(8.00)	(10.00)
Receivables	-	6.40	6.40
Bad debts written off (Net of recovery)	-	141.65	141.65
Total	(2.00)	140.05	138.05

Note 31. Employee Benefits Expenses

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Salaries and wages	318.31	242.04
Contribution to provident and other funds (Refer Note 31.1)	13.92	10.52
Leave Encashment	4.98	3.29
Gratuity (Refer Note 31.2)	2.43	1.93
Staff welfare expenses#	9.04	5.26
Share Based Payments to employees (Refer Note 31.3)	19.77	-
Total	368.45	263.04

#The Group companies i.e. IIFL Finance Limited and IIFL Securities Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 1.33 Crores. (For FY 2022-23 ₹ 0.49 Crores), on account of such costs and the same is forming part of Employee benefit expenses.

Note: The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the code becomes effective and related rules are published.

31.1 Defined Contribution Plans:

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

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Contribution to Provident fund	6.57	5.11
Contribution to ESIC	0.83	0.61
Contribution to Labour Welfare Fund	0.06	0.04
Group contribution to EPS	6.07	4.43
Group contribution to NPS	0.39	0.32
Total	13.92	10.52

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

Assumptions (Current Year)

Particulars	FY 2023-24	FY 2022-23
Expected Return on Plan Assets	7.20%	7.46%
Rate of Discounting	7.20%	7.46%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality 2012-14 (Ultimate)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	11.43	9.45
Interest Cost	0.85	0.66
Current Service Cost	2.38	1.94
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.05	0.07
Liability Transferred Out/ Divestment	(0.00)	(0.06)
Benefit Paid Directly by the Employer	-	-
Benefit Paid From the Fund	(1.33)	(0.81)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.57	(0.90)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.46	1.09
Present Value of Benefit Obligation at the End of the Year	14.41	11.43

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

S.R. BATLIBOI & ASSOCIATES LLP

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Table Showing Change in the Fair Value of Plan Assets

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Fair Value of Plan Assets at the Beginning of the Year	10.61	9.50
Interest Income	0.79	0.66
Contributions by the Employer	0.16	1.55
Benefit Paid from the Fund	(1.33)	(0.81)
Return on Plan Assets, Excluding Interest Income	0.23	(0.29)
Fair Value of Plan Assets at the End of the Year	**10.46**	**10.61**

Amount Recognised in the Balance Sheet

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Benefit Obligation at the end of the Year	14.41	11.43
Fair Value of Plan Assets at the end of the Year	10.46	10.61
Funded Status Surplus/ (Deficit)	(3.94)	(0.82)
Net (Liability)/Asset Recognised in the Balance Sheet	**(3.94)**	**(0.82)**

Net Interest Cost

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	11.43	9.45
Fair Value of Plan Assets at the Beginning of the Year	(10.61)	(9.50)
Net Liability/(Asset) at the Beginning of the Year	**0.82**	**(0.05)**
Interest Cost	0.85	0.66
Interest Income	(0.79)	(0.66)
Net Interest Cost	**0.06**	**(0.00)**

Expenses Recognised in the Statement of Profit and Loss

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Current Service Cost	2.38	1.94
Net Interest Cost	0.06	(0.00)
Expenses Recognised	**2.44**	**1.94**

One of our subsidiary Company i.e. IIHFL Sales Limited has provided gratuity on a full liability basis.

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Actuarial (Gains)/Losses on Obligation For the Year	1.04	0.19
Return on Plan Assets, Excluding Interest Income	(0.23)	0.29
Net (Income)/Expense For the Year Recognised in OCI	**0.81**	**0.48**

Balance Sheet Reconciliation

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Net Liability	0.82	(0.05)
Expenses Recognised in Statement of Profit and Loss	2.44	1.94
Expenses Recognised in OCI	0.81	0.48
Net Liability/(Asset) Transfer In	0.03	0.07
Net (Liability)/Asset Transfer Out*	(0.00)	(0.06)
Benefit Paid directly by the Employer	-	-
Employer's Contribution	(0.16)	(1.55)
Net Liability/(Asset) Recognised in the Balance Sheet	**3.94**	**0.82**

*0.00 denotes amount less than ₹ Fifty thousands

Category of Assets

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Insurance policy	10.46	10.61
Total	**10.46**	**10.61**

Other Details

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Prescribed Contribution For Next Year (12 Months)	6.75	2.87

Maturity Analysis of the Benefit Payments: From the Fund

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.68	0.60
2nd Following Year	0.15	0.13
3rd Following Year	0.19	0.14
4th Following Year	0.19	0.17
5th Following Year	0.22	0.18
Sum of Years 6 To 10	1.93	1.40
Sum of Years 11 and above	51.89	42.79

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Sensitivity Analysis

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected Benefit Obligation on Current Assumptions	14.41	11.42
Delta Effect of +1% Change in Rate of Discounting	(2.19)	(1.69)
Delta Effect of -1% Change in Rate of Discounting	2.43	1.93
Delta Effect of +1% Change in Rate of Salary Increase	1.93	1.47
Delta Effect of -1% Change in Rate of Salary Increase	(1.68)	(1.29)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.20)	(0.10)
Delta Effect of -1% Change in Rate of Employee Turnover	0.22	0.11

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
Above Includes one of our subsidary I.e IIHFL Sales Ltd where gratuity is unfunded.

Note 31.3. Employee Stock Option

The Group has IIFL HFL ESOP PLAN-2022, under which options have been granted to eligible employees to be vested from time to time. The plan is established as per the approval granted by the shareholders by a special resolution on August 4, 2022. The Plan is amended vide Board resolution dated June 17, 2023 and approved by shareholders vide resolution dated June 29, 2023.

ESOP will vest to eligible employees as per vesting schedule and vesting ratio. All options will vest with minimum vesting period of 1year and maximum vesting period of 4 years having Graded vesting @ 25%p.a.(vesting ratio of 25:25:25:25). As per ESOP Plan, the Vested Options can be exercised by the Option Grantees only in connection with or upon the happening of a Liquidity Event and within such period as prescribed by the Board in this regard.
The Nomination and Remuneration Committee may at any time proceed to settle any or all the unexercised Vested Options held by the Option Grantees, either continuing or separated, by way of cash payment.

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Grant Date	01-10-2023	N.A
Option Price Model	Black Scholes Method	N.A
Exercise Price	1338.00	N.A
Share Price on Grant Date	4513.38	N.A
Expected Volatility	50%	N.A
Expected life of options (Years)	4	N.A
Risk-free rate of return	7.37%	N.A
Dividend Yield	0.86%	N.A
Fair Value of ESOP at Grant Date	3423.18	N.A
Weighted average remaining contractual life of the options (Years)	3.50	N.A

Fair Value Methodology:

The fair value of the employee share options has been measured using Black-Scholes Option pricing model.
The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year.

Table Showing options movement during year: (₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Outstanding at the beginning of the year	-	N.A
Granted during the year	2,42,563	N.A
Forfeited during the year	3,935	N.A
Expired during the year	-	N.A
Exercised during the year	-	N.A
Outstanding at the end of the year	2,38,628	N.A
Exercisable at the end of the year	-	N.A

Weighted-average exercise prices of options granted during the year is ₹ 1,338.00 /- option
Weighted average share price at the date of exercise date : N.A. as no ESOP exercise in year

Table showing reconciliation of Share Options Outstanding Account: (₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Opening ESOP Outstanding Reserve Balance	-	N.A.
Expense Recognised/ (Reversed) during the year	19.77	N.A.
Closing ESOP Outstanding Reserve Balance	19.77	N.A.

Note : The company has granted options in equal parts in two tranches - (i) 50% on October 1, 2023 (time-based) and 50% on April 1, 2024 (performance based) and will vest as specified in the Grant letter.

Note: The company has granted 1,55,129 no. of ESOPs to KMPs during the year.

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Note 32. Other Expenses

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement	12.73	7.50
Valuation & verification expenses	3.61	1.40
Marketing expenses	21.44	5.71
Bank charges	2.59	2.20
Communication	1.41	1.29
Electricity	2.48	2.22
Rating and custodian fees	2.20	1.34
Legal & professional fees	38.49	27.23
Commission & sitting fees	0.78	0.70
Miscellaneous expenses	1.21	0.43
Office expenses	10.79	12.86
Postage & courier	1.77	1.70
Printing & stationary	1.29	1.50
Rates & taxes	0.03	0.02
Rent	3.73	6.56
Repairs & maintenance	1.05	1.03
Payments to auditors*	1.91	0.88
Software charges	19.14	10.42
Security expenses	2.25	1.52
Travelling & conveyance	12.95	9.12
Corporate Social Responsibility (CSR) Expenses (Refer note 37)	17.59	13.10
Loss on sale of assets	0.03	0.94
Total	159.47	109.67

*Payments to auditors

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Audit Fees	0.72	0.39
Limited Reviews	0.72	0.15
Other matters and certification	0.25	0.27
Out of Pocket Expenses	0.22	0.07
Total	1.91	0.88

Note 33. Income taxes

33.1 Amounts recognised in the Statement of Profit and Loss

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Current tax expense		
Current year	273.26	230.77
Tax of earlier years	(0.08)	(0.79)
Deferred tax expense		
Origination and reversal of temporary differences	24.62	6.18
Total	297.80	236.16

33.2 Amounts recognised in other comprehensive income

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Items that will not be reclassified to the Statement of Profit and Loss		
Remeasurements of defined benefit (liabilities)/assets	0.20	0.12
Items that will be reclassified to the Statement of Profit and Loss		
Net movement on effective portion of cash flow hedge	1.91	(4.24)
Fair value of loans carried at fair value through other comprehensive income	0.40	0.19
Total	2.51	(3.93)

33.3 Reconciliation of total tax expense

(₹ In Crores)

Particulars	FY 2023-24	FY 2022-23
Profit before tax	1,314.35	1,000.52
Tax using the domestic tax rate (25.168%)	330.79	251.81
Tax effect of:		
Non-deductible expenses	5.16	12.75
Tax-exempt income (includes deduction u/s 80JJAA)	(38.91)	(26.27)
Tax on Dividend	-	(0.31)
Income taxed at different rates	(1.02)	-
Adjustments for current tax for prior periods	(0.08)	(0.79)
Losses for which no deferred tax asset is recognised	-	(1.34)
De-Recognition of previously recognised deductible temporary differences	1.86	0.31
Total Income tax expense	297.79	236.17

33.4 The Company has elected to exercise the option permitted under section 115BAA of the Income-tax act, 1961, as introduced by the taxation laws (amendment) ordinance, 2019.

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Note 34. Earnings Per Share:

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

(₹ In Crores)

Particulars		FY 2023-24	FY 2022-23
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	1,016.55	768.12
Weighted Average Number of Equity Shares Outstanding	B	2,63,44,638	2,42,38,245
Basic EPS (In ₹) (I)	A/B	385.87	316.90
DILUTED			
Weighted Average Number of Equity Shares for computation of basic EPS		2,63,44,638	2,42,38,245
Add: Potential Equity Shares on Account conversion of Employees Stock Options.		83,933.00	-
Weighted Average Number of Equity shares for computation of diluted EPS	C	2,64,28,571	2,42,38,245
Diluted EPS (In ₹) (I)	A/C	384.64	316.90

The basic earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares for the respective periods; whereas the diluted earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options.

Note 35. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of the Company is ₹ 3,262.11 Crores. (as at March 31, 2023 ₹ 2,098.41 Crores.);
(ii) Estimated amount of contracts remaining to be executed on capital account of the Company is ₹ 0.54 Crores (as at March 31, 2023 ₹ 1.54 Crores).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.15 Crores (as at March 31, 2023 ₹ 0.19 Crores);
(ii) Contingent liability on account of Income Tax Dispute is ₹ 7.28 Crores (as at March 31, 2023 ₹ 7.28 Crores) - The Company has filed appeal against the said demand;
(iii) Contingent liability on account of GST Dispute is ₹ 0.76 Crores (as at March 31, 2023 ₹ 0.19 Crores) -The Company has filed appeal against the said demand and has deposited 0.04 Crores (as at March 31, 2023 Nil) under protest;
(iv) Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 79.91 Crores and ₹ 23.34 Crores respectively (as at March 31, 2023 ₹ 79.95 Crores and ₹ 23.34 Crores).

Note 36. Disclosure as per Ind AS-108 "Operating Segments"

The Group's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Group revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

Note 37. Corporate Social Responsibility

The Group was required to spend ₹ 17.59 Crores. (For FY 2022-23 ₹ 13.10 Crores.) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ In Crores)

Particulars	FY 2023-2024		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	11.96	5.63	17.59
(b) Shortfall at the end of the year*	-	5.63	5.63
(c) Total of previous years shortfall	3.93	1.27	5.20
(d) Nature of CSR activities:	-	-	-
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	15.89	6.90	22.79

Reason for Shortfall: During the year, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2024 resulting in shortfall. The unspent amount has been transferred to a separate Bank account on April 26, 2024, which will be spent during the FY 2024-25.

(₹ In Crores)

Particulars	FY 2022-2023		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	7.90	5.20	13.10
(b) Shortfall at the end of the year*	-	5.20	5.20
(c) Total of previous years shortfall	3.03	-	3.03
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	10.93	5.20	16.13

Reason for Shortfall: During the FY 2021-22, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 08, 2022 and was spent during the FY 2022-23.

37A.1 Details of related party transactions in relation to CSR expenditure as per Ind AS 24, related party disclosures (refer note 41A).

37A.2 The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013.

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Note 30. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. Additional Information where borrowings are from banks or financial institutions:

(i) The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 2023, September 2023 and December 2023 are in agreement with the books of accounts. Further for quarter ended March 2023 the group has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. **Wilful Defaulter:** The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. **Relationship with Struck off Companies :** During the year, the Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except with the parties disclosed below:

(₹ in Crores)

Name of the struck off Company	Balance outstanding as at		Relationship with Struck off Group
	March 31, 2024	March 31, 2023	
Loans and Advances:			
Jasmin Infraproject Group Private Limited	0.47	0.49	None
Creative Pulse Marketing Private Limited	-	0.12	None
Beauty Channel Salon & Spa Private Limited	1.42	1.45	None
Iconic products india pvt ltd.	2.76	-	None
Vendor:			
Epicenter Technologies Pvt Ltd*	0.00	-	None

*0.00 denotes amount less than ₹ Fifty thousands

Note: The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

e. **Registration of charges or satisfaction with Registrar of Companies (ROC):** In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. **Compliance with number of layers of companies:** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. **Compliance with approved Scheme(s) of Arrangements:** The Group has not entered into Scheme of Arrangement in terms of section 230 to 237 of the Company Act, 2013

(ha) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(hb) No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

i. **Undisclosed Income:** The Group does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

j. **Details of Crypto Currency or Virtual Currency:** The Group has not traded or invested in Crypto currency or Virtual Currency.

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Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.
Risk management is integral to Group's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

Financial Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Group being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.
The Group has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

39 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, an asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Company monitors its portfolio, based on product, underlying security and credit risk characteristics.

39 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Group has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run.

The Group applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

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The Group categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [31-90 days Past Due] The Group collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due and other cases basis regulatory guidelines] The Group Identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Group evaluates risk based on staging which are as follows:

(₹ in Crores)

Risk Categorisation	As at March 31, 2024	As at March 31, 2023
Stage 1	21,965.40	16,741.80
Stage 2	1,178.78	1,087.31
Stage 3	340.92	386.10
Total	**23,485.10**	**18,215.21**

Financial Assets measured at Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies, Trade Receivables, Investments and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

39 A.1(II) Credit quality analysis

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

(₹ in Crores)

As at March 31, 2024					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Loans at FVTOCI	3,827.04	1.28	-	-	3,828.32
Loans at amortised cost	18,138.36	1,177.50	340.92	-	19,656.78

(₹ in Crores)

As at March 31, 2023					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Loans at FVTOCI	2,854.50	-	-	-	2,854.50
Loans at amortised cost	13,887.31	1,087.31	386.10	-	15,360.71

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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*
Opening EAD April 01, 2023	16,623.25	2,189.02	1,044.75	70.53	387.45	(1.39)	18,055.45	2,258.16
New Loans Disbursed during the year	11,746.48	2,353.75	91.57	6.78	9.85	(0.76)	11,847.90	2,359.77
Loan Derecognised	(3,987.93)	(403.08)	(153.52)	(4.59)	(114.86)	0.06	(4,256.31)	(407.61)
Loans written off	(177.34)	(7.35)	(22.21)	(6.97)	(78.49)	0.48	(278.04)	(13.84)
Movement in Stages							-	-
From Stage 1	(778.18)	(64.91)	637.48	53.11	140.70	11.80	-	-
From Stage 2	336.22	23.08	(427.46)	(32.08)	91.24	9.00	-	-
From Stage 3	50.96	(0.21)	17.09	(0.04)	(68.05)	0.25	-	-
Loans Repaid in part or full	(2,002.74)	(743.81)	(59.01)	(0.55)	(24.96)	(22.14)	(2,086.71)	(766.50)
Closing EAD March 31, 2024	21,810.72	3,346.49	1,128.69	86.19	342.88	(2.70)	23,282.29	3,429.98

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 3,227.17 Crores (As at March 31, 2023 ₹ 2,098.41 Crores)

Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*
Opening EAD April 01, 2022	14,412.66	1,723.46	927.58	67.12	328.55	(0.33)	15,668.80	1,790.25
New Loans Disbursed during the year	9,264.64	1,430.89	73.38	6.04	9.18	(0.12)	9,347.20	1,436.81
Loan Derecognised	(3,686.33)	(213.43)	(96.62)	(4.64)	(52.19)	0.04	(3,835.14)	(218.03)
Write offs	(19.92)	(7.20)	(24.36)	(7.26)	(126.05)	0.21	(170.34)	(14.25)
Movement in Stages							-	-
From Stage 1	(391.47)	(25.64)	357.91	25.58	33.56	0.06	-	-
From Stage 2	662.32	41.18	(678.45)	(41.19)	16.13	0.01	-	-
From Stage 3	181.49	12.09	108.42	8.89	(289.91)	(20.98)	-	-
Loans Repaid in part or full	(3,800.14)	(772.33)	376.89	15.99	468.18	19.72	(2,955.07)	(736.62)
Closing EAD March 31, 2023	16,623.25	2,189.02	1,044.75	70.53	387.45	(1.39)	18,055.45	2,258.16

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,098.41 Crores (As at March 31, 2022 ₹ 1,652.76 Crores)

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Loss Allowances

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*
Opening ECL April 01, 2023	243.90	20.53	112.81	7.27	103.63	72.99	460.34	100.79
New Loans Disbursed during the year	40.48	9.69	11.19	2.81	2.73	-	54.40	12.50
Loan Derecognised	(43.59)	(3.37)	(11.23)	(0.73)	(5.45)	(0.00)	(60.27)	(4.10)
Write offs	(33.25)	(0.63)	(12.83)	(0.72)	(51.40)	-	(97.48)	(1.35)
Movement in Stages								
From Stage 1	(16.52)	(0.75)	13.20	0.60	3.32	0.15	(0.00)	-
From Stage 2	30.24	1.83	(40.25)	(3.01)	10.01	1.18	(0.00)	(0.00)
From Stage 3	13.33	-	4.38	-	(17.71)	-	-	-
Loans Repaid in part or full	(125.53)	(10.65)	39.15	14.02	57.58	(1.30)	(28.80)	2.07
Closing ECL March 31, 2024	109.06	16.65	116.42	20.24	102.71	73.02	328.19	109.91

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 13.89 Crores (As at March 31, 2023 ₹ 18.88 Crores).

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*	Principal Outstanding	Unfunded Exposure /Interest Accrued*
Opening ECL April 01, 2022	232.33	9.53	132.28	7.31	118.94	73.00	483.55	89.84
New Loans Disbursed during the year	87.06	12.52	3.18	0.32	2.21	-	92.45	12.84
Loan Derecognised	(38.91)	(1.06)	(9.25)	(0.38)	(12.46)	0.00	(60.62)	(1.44)
Write offs	(4.83)	(0.04)	(7.20)	(1.06)	(54.59)	-	(66.62)	(1.10)
Movement in Stages								
From Stage 1	(70.31)	(2.37)	57.65	2.37	12.66	-	-	-
From Stage 2	24.28	0.40	(30.38)	(0.40)	6.10	-	-	(0.00)
From Stage 3	9.84	0.07	14.57	0.88	(24.41)	(0.95)	-	-
Loans Repaid in part or full	4.44	1.48	(48.04)	(1.77)	55.18	0.94	11.58	0.65
Closing ECL March 31, 2023	243.90	20.53	112.81	7.27	103.63	72.99	460.34	100.79

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 18.88 Crores (As at March 31, 2022 ₹ 7.67 Crores).

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39 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.
The Company's Loan outstanding from Borrowers residing across 5 various states of India is 57% (P.Y. 62%).

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Write off (net of recoveries)	245.12	141.65

39 A.1(V) Collateral held

The Group is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Group assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Group also requests for additional collateral(s).

In normal course of business, the Group does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Amortised Cost of Modified Assets at the time of modification during the year	-	-
Modification (Gain)/Loss for modifications during the year	-	-

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of Modified financial assets	311.04	614.61

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification "Resolution Framework for COVID-19-related Stress".

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39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Group has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ In Crores)

Contractual maturities of financial liabilities As at March 31, 2024	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	71.09	71.09	-	-	-	-	-
Finance Lease Obligation*	73.07	6.98	6.90	13.20	24.85	10.10	11.04
Debt Securities	3,613.04	156.24	47.97	566.96	945.16	963.02	933.69
Borrowings (Other than Debt Securities)	13,033.18	569.24	666.31	1,274.21	4,295.05	3,263.05	2,965.32
Subordinated Liabilities	1,037.38	3.28	22.16	0.08	-	1,011.86	-
Other financial liabilities	1,052.18	1,052.18	-	-	-	-	-

(₹ In Crores)

Contractual maturities of financial liabilities As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	51.38	51.38	-	-	-	-	-
Finance Lease Obligation*	62.93	4.83	4.85	9.64	28.52	7.76	7.33
Debt Securities	2,254.22	17.98	8.65	16.22	669.76	219.97	1,321.64
Borrowings (Other than Debt Securities)	11,620.67	656.89	1,011.93	1,265.63	3,734.38	2,460.32	2,491.52
Subordinated Liabilities	1,078.31	68.10	25.13	0.08	-	85.00	900.00
Other financial liabilities	903.12	903.12	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

(ii) Change in liabilities arising from financing activities

(₹ In Crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt Securities (Including subordinated libilities)	3,332.53	1,248.10	69.79	4,650.42
Borrowings (Other than Debt Securities)	11,620.67	1,456.20	(43.69)	13,033.18
Total Liabilities from Financial Activities	14,953.20	2,704.30	26.10	17,683.60

(₹ In Crores)

Particulars	As at March 31, 2022	Cash flows	Others*	As at March 31, 2023
Debt Securities (Including subordinated libilities)	3,275.67	65.97	(9.12)	3,332.53
Borrowings (Other than Debt Securities)	10,944.93	648.65	27.09	11,620.67
Total Liabilities from Financial Activities	14,220.60	714.62	17.97	14,953.20

*Includes the effect of amortisation of borrowing cost, interest accrued on borrowings, exchange differences and conversation factor of derivative instruments.

39 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

39 A.3(i) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Group's Net Interest Income.

Total Borrowings of the Group are as follows:

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowings	7,823.71	8,535.24
Fixed rate borrowings	9,859.90	6,417.97
Total borrowings	17,683.61	14,953.21

As at the end of the reporting year, the Group had the following floating rate borrowings:

(₹ In Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	9.01%	7,023.71	44.24%	8.72%	8,535.24	57.08%
Non Convertible Debentures	-	-	-	-	-	-
Net exposure to cash flow interest rate risk		7,023.71	44.24%		8,535.24	57.08%

An analysis by maturities is provided in note 39 A 2(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

As at the end of the reporting year, the Group had the following cross currency interest rate swap contracts/ forward contracts outstanding:

(₹ In Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps and Forward Contracts	7.74%	1,523.99	8.62%	8.97%	1,394.53	9.33%

The Group had following floating rate loans and advances outstanding:

(₹ In Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	12.65%	23,485.10	100.00%	12.93%	18,215.21	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan(not more than 3 years), all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ In Crores)

Particulars	Impact on profit after tax and equity		Impact on other components of equity	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Interest rates – increase by 30 basis points (30 bps) *	(17.56)	(19.16)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	17.56	19.16	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ In Crores)

Particulars	Impact on profit after tax and equity	
	FY 2023-24	As at March 31, 2023
Interest rates – increase by 30 basis points (30 bps) *	52.72	40.89
Interest rates – decrease by 30 basis points (30 bps) *	(52.72)	(40.89)

* Holding all other variables constant

39 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity.

(In Crores)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2024	1,523.99	18.16
Borrowing as on March 31, 2023	1,394.53	16.79

Since the Group has entered into derivative transaction to hedge this borrowing, the Group is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

The Group's investments carry a risk of change in prices. To manage its price risk arising from investments, the Group periodically monitors the performance of the investee. The Group's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk

Group offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

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39.B Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2024	As at March 31, 2023
Total Debt (₹ in Crores)	17,683.60	14,953.20
Total Equity (₹ in Crores)	6,438.05	5,554.11
Total Debt to Equity Ratio (times)	2.75	2.69

Total Debt inlcudes debt securities, borrowings (Other than Debt Securities) and subordinated liabilities.

Total Equity includes equity share capital and other equity.

39.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments:

(₹ in Crores)

Particulars	As at March 31, 2024		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	781.71
Bank Balance other than cash and cash equivalents	-	-	299.23
Derivative financial instruments	-	-	-
Receivables	-	-	-
(i) Trade Receivables	-	-	48.18
Loans	-	3,810.85	19,303.25
Investments	401.60	-	180.48
Other Financial assets	-	-	488.50
Total financial assets	**401.60**	**3,810.85**	**21,101.36**
Financial liabilities			
Derivative financial instruments	-	2.61	-
Trade Payables	-	-	71.09
Finance Lease Obligation	-	-	63.26
Debt Securities	-	-	3,613.04
Borrowings (Other than Debt Securities)	-	-	13,033.18
Subordinated Liabilities	-	-	1,037.38
Other financial liabilities	-	-	1,052.18
Total financial liabilities	-	**2.61**	**18,870.13**

(₹ in Crores)

Particulars	As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	1,635.21
Bank Balance other than cash and cash equivalents	-	-	359.29
Derivative financial instruments	(2.03)	44.02	-
Receivables	-	-	-
(i) Trade Receivables	-	-	47.50
Loans	-	2,829.19	14,891.97
Investments	371.57	-	1,055.62
Other Financial assets	-	-	454.15
Total financial assets	**369.54**	**2,873.21**	**18,443.74**
Financial liabilities			
Trade Payables	-	-	51.38
Finance Lease Obligation	-	-	52.00
Debt Securities	-	-	2,254.22
Borrowings (Other than Debt Securities)	-	-	11,620.67
Subordinated Liabilities	-	-	1,078.31
Other financial liabilities	-	-	903.12
Total financial liabilities	-	-	**15,959.70**

39.B.2 Financial instruments measured at fair value - Fair value hierarchy

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

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

(₹ In Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	3,810.85	3,810.85
Investments				-
(i) Debt Securities, Security Receipts and G-Sec	401.60			401.60
Total financial assets	401.60	-	3,810.85	4,212.45
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	2.61	-	2.61
Total financial liabilities	-	2.61	-	2.61

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,829.19	2,829.19
Investments				
(i) Alternate Investment Fund and Debt Securities	371.57	-	-	371.57
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	41.99	-	41.99
Total financial assets	371.57	41.99	2,829.19	3,242.75

Valuation technique used to determine fair value

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

(₹ In Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2024	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	19,301.38	19,303.25	Level 3
Investments			
(i) In other securities*	181.58	180.48	Level 1 /Level 3
Other Financial assets			
Total financial assets	19,482.96	19,483.73	
Financial Liabilities			
Debt Securities	3,479.24	3,613.04	Level 3
Subordinated Liabilities	1,029.13	1,037.38	Level 3
Total financial liabilities	4,508.37	4,650.42	

(₹ In Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	14,897.95	14,891.97	Level 3
Investments			
(i) In other securities*	1,058.02	1,055.62	Level 1 /Level 3
Total financial assets	15,955.97	15,947.59	
Financial Liabilities			
Debt Securities	2,169.44	2,254.22	Level 3
Subordinated Liabilities	1,006.65	1,078.31	Level 3
Total financial liabilities	3,176.09	3,332.53	

*Refer note no 8 for Investments measured at Amoritsed Cost. These are measured at Level 3

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Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and liabilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, lease liabilities, other financial assets & liabilities.

39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Crores)

Particulars	Loans - FVTOCI	
	As at March 31, 2024	As at March 31, 2023
Opening Balance	2,829.19	2,885.40
Loans de-recognised during the year	(2,485.19)	(2,274.81)
Loan Originated (net)	3,466.85	2,218.60
Closing Balance	3,810.85	2,829.19

40.1 Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Crores)

Loans and advances	FY 2023-24	FY 2022-23
Carrying amount of derecognised financial assets	2,485.19	2,274.81
Gain from derecognition for the year	177.77	149.85

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets (₹ in Crores)

Loans and advances	As at March 31, 2024	As at March 31, 2023
Carrying amount of continuing involvement in derecognised financial assets	896.94	847.68

40.2 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Crores)

Securitisations	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortised cost	144.98	179.55
Carrying amount of associated liabilities	145.27	179.68
Fair value of assets	144.98	179.55
Fair value of associated liabilities	145.27	179.68

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IIFL HOME FINANCE LIMITED

41. Related Party Disclosures as per Ind AS - 24 "Related Party Disclosure" for the year ended March 31, 2024

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director (ceased w.e.f. August 08, 2023)
	Ms. Mohua Mukherjee - Independent Director
	Mr. Mathew Joseph - Independent Director (w.e.f. October 31, 2023)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Gaurav Seth - Chief Financial Officer (w.e.f. October 17, 2023)
	Mr. Amit Gupta - Chief Financial Officer (upto October 17, 2023)
	Mr. Amit Gupta - Chief Financial Officer (upto October 17, 2023)
	Ms. Rashmi Priya - Director of IIHFL Sales Limited

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

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S.R. BATLIBOI & ASSOCIATES LLP

IIFL HOME FINANCE LIMITED

41.A Significant transactions with related parties:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	21.11	-	-	-	-	21.11
	(1.07)	(-)	(-)	(-)	(-)	(1.07)
IIFL Securities Limited	-	-	-	8.81	-	8.81
	(-)	(-)	(-)	(0.15)	(-)	(0.15)
5paisa Capital Limited	-	-	-	6.75	-	6.75
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	5.51	-	-	5.51
	(-)	(-)	(9.94)	(-)	(-)	(9.94)
Interest Expense						
IIFL Securities Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.66)	(-)	(0.66)
360 One WAM Limited	-	-	-	0.11	-	0.11
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Management Services Limited	-	-	-	0.16	-	0.16
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
Corporate Social Responsibility Expense (CSR)						
India Infoline Foundation	-	-	-	16.46	-	16.46
	(-)	(-)	(-)	(8.52)	(-)	(8.52)
CSR Unspent amount refund received						
India Infoline Foundation	-	-	-	3.54	-	3.54
	(-)	(-)	(-)	(-)	(-)	(-)
Arranger fees Expense/ Loan Sourcing Fee						
IIFL Securities Limited	-	-	-	0.84	-	0.84
	(-)	(-)	(-)	(0.40)	(-)	(0.40)
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	0.07	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
Brokerage Expense Reversal						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.98)	(-)	(0.98)
Rent Expense						
IIFL Facilities Services Limited	-	-	-	3.53	-	3.53
	(-)	(-)	(-)	(1.70)	(-)	(1.70)
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remunerations	-	-	-	-	6.39	6.39
	(-)	(-)	(-)	(-)	(4.64)	(4.64)
Mr. Monu Ratra - Short Term Benefit (perquisites)	-	-	-	-	11.11	11.11
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Mr. Gaurav Seth - Remunerations	-	-	-	-	1.39	1.39
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav Seth - Short Term Benefit (perquisites)	-	-	-	-	1.11	1.11
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav Seth - Post Employment Benefit	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Amit Gupta - Remunerations	-	-	-	-	0.47	0.47
	(-)	(-)	(-)	(-)	(0.79)	(0.79)
Mr. Amit Gupta - Short Term Benefit (perquisites)	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
Mr. Amit Gupta - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	1.01	1.01
	(-)	(-)	(-)	(-)	(0.88)	(0.88)
Mr. Ajay Jaiswal - Short Term Benefit (perquisites)	-	-	-	-	0.57	0.57
	(-)	(-)	(-)	(-)	(0.08)	(0.08)
Mr. Ajay Jaiswal - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(0.09)	(0.09)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.11)	(0.11)
Mr. AK Purwar	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Mathew Joseph	-	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Ms. Mohua Mukherjee	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.06)	(0.06)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	0.13	0.13
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.24	0.24
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Mr. Mathew Joseph	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Mohua Mukherjee	-	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Interim Dividend Payment						
IIFL Finance Limited	115.32	-	-	-	-	115.32
	(83.87)	(-)	(-)	(-)	(-)	(83.87)
ICD/Loan Given						
IIFL Finance Limited	1,450.00	-	-	-	-	1,450.00
	(300.00)	(-)	(-)	(-)	(-)	(300.00)
IIFL Securities Limited	-	-	-	1,025.00	-	1,025.00
	(-)	(-)	(-)	(370.00)	(-)	(370.00)
5paisa Capital Limited	-	-	-	430.00	-	430.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	400.00	-	-	400.00
	(-)	(-)	(775.00)	(-)	(-)	(775.00)
ICD/Loan received back						
IIFL Finance Limited	1,450.00	-	-	-	-	1,450.00
	(300.00)	(-)	(-)	(-)	(-)	(300.00)
IIFL Securities Limited	-	-	-	1,025.00	-	1,025.00
	(-)	(-)	(-)	(370.00)	(-)	(370.00)
5paisa Capital Limited	-	-	-	430.00	-	430.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	400.00	-	-	400.00
	(-)	(-)	(775.00)	(-)	(-)	(775.00)
Purchase of Investment						
IIFL Finance Limited	63.84	-	-	-	-	63.84
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Investment						
IIFL Finance Limited	2.38	-	-	-	-	2.38
	(259.08)	(-)	(-)	(-)	(-)	(259.08)
Security Deposit Paid						
IIFL Facilities Services Limited	-	-	-	0.98	-	0.98
	(-)	(-)	(-)	(0.51)	(-)	(0.51)
Net Interest Accrued						
IIFL Securities Limited (Formerly India Infoline Limited)	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
360 One Prime Limited	-	-	-	0.07	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
Commission on Corporate Guarantee						
IIFL Finance Limited	4.93	-	-	-	-	4.93
	(-)	(-)	(-)	(-)	(-)	(-)
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	3.19	-	3.19
	(-)	(-)	(-)	(3.23)	(-)	(3.23)
IIFL Management Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.08)	(-)	(0.08)
IIFL Finance Limited	5.34	-	-	-	-	5.34
	(7.81)	(-)	(-)	(-)	(-)	(7.81)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
IIFL Facilities Services Limited	-	-	-	1.16	-	1.16
	(-)	(-)	(-)	(1.06)	(-)	(1.06)
Reimbursement paid						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(-)	(0.04)
IIFL Finance Limited	0.14	-	-	-	-	0.14
	(0.07)	-	-	-	(0.00)	(0.07)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
ESOP						
IIFL Securities Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	1.33	-	-	-	-	1.33
	(0.49)	(-)	(-)	(-)	(-)	(0.49)
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.03	-	0.03
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Securities Limited	-	-	-	0.49	-	0.49
	(-)	(-)	(-)	(0.66)	(-)	(0.66)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.15	-	0.15
	(-)	(-)	(-)	(0.10)	(-)	(0.10)
IIFL Finance Limited	1.17	-	-	-	-	1.17
	(1.69)	(-)	(-)	(-)	(-)	(1.69)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)

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IIFL HOME FINANCE LIMITED

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Reimbursement received						
IIFL Securities Limited	- (-)	- (-)	- (-)	- (0.02)	- (-)	- (0.02)
IIFL Finance Limited	0.06 (0.11)	- (-)	- (-)	- (-)	- (-)	0.06 (0.11)
IIFL Management Services Limited	- (-)	- (-)	- (-)	- (0.00)	- (-)	- (0.00)
IIFL Facilities Services Limited	- (-)	- (-)	- (-)	- (0.00)	- (-)	- (0.00)
5Paisa Capital Limited	- (-)	- (-)	- (-)	0.01 (0.01)	- (-)	0.01 (0.01)
Livlong Insurance Brokers Limited	- (-)	- (-)	- (-)	- (0.00)	- (-)	- (0.00)
India Infoline Foundation	- (-)	- (-)	- (-)	- (0.00)	- (-)	- (0.00)
Sale of Fixed Assest						
Spaisa Capital Limited	- (-)	- (-)	- (-)	0.00 (0.01)	- (-)	0.00 (0.01)
IIFL Facilities Services Limited	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)	0.00 (0.00)
IIFL Finance Limited	0.55 (0.65)	- (-)	- (-)	- (-)	- (-)	0.55 (0.65)
IIFL Securities Limited	- (-)	- (-)	- (-)	0.02 (0.34)	- (-)	0.02 (0.34)
Livlong Insurance Brokers Limited	- (-)	- (-)	- (-)	- (0.01)	- (-)	- (0.01)
Livlong Protection & Wellness Solutions Limited	- (-)	- (-)	- (-)	- (0.02)	- (-)	- (0.02)
Payment of Assignment Transactions						
IIFL Finance Limited	45.04 (63.35)	- (-)	- (-)	- (-)	- (-)	45.04 (63.35)
Purchase of Fixed Assest						
Spaisa Capital Limited	- (-)	- (-)	- (-)	0.01 (0.05)	- (-)	0.01 (0.05)
IIFL Finance Limited	0.06 (0.32)	- (-)	- (-)	- (-)	- (-)	0.06 (0.32)
IIFL Management Services Limited	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)	0.00 (0.00)
IIFL Facilities Services Limited	- (-)	- (-)	- (-)	0.00 (-)	- (-)	0.00 (-)
IIFL Securities Limited	- (-)	- (-)	- (-)	0.02 (0.17)	- (-)	0.02 (0.17)
Livlong Insurance Brokers Limited	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)	0.00 (0.00)

Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon.

Figures in brackets () represents previous year's figures.
0.00 denotes amount less than ₹ Fifty thousands

41 B. Closing balance:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	0.12	-	0.12
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.31	-	0.31
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	5.88	-	-	-	-	5.88
	(-)	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Receivable from Group/Holding Company						
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(0.14)	(-)	(0.14)
5 Paisa Capital Ltd	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(-)	(0.04)
IIFL Finance Limited	-	-	-	-	-	-
	(0.07)	(-)	(-)	(-)	(-)	(0.07)
India Infoline Foundation	-	-	-	-	-	-
	(-)	(-)	(-)	(3.06)	(-)	(3.06)
Debt Securities Outstanding						
360 One WAM Limited	-	-	-	2.09	-	2.09
	(-)	(-)	(-)	(17.75)	(-)	(17.75)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(8.00)	(-)	(8.00)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(4.00)	(-)	(4.00)
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	0.30	0.30
	(-)	(-)	(-)	(-)	(0.27)	(0.27)
Mr. Gaurav Seth	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Amit Gupta	-	-	-	-	0.16	0.16
	(-)	(-)	(-)	(-)	(0.14)	(0.14)
Mr. Ajay Jaiswal	-	-	-	-	0.16	0.16
	(-)	(-)	(-)	(-)	(0.14)	(0.14)
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. Venkataramanan	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Mathew Joseph	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Corporate Guarantee						
IIFL Finance Limited	410.32	-	-	-	-	410.32
	(584.94)	(-)	(-)	(-)	(-)	(584.94)
Security Deposit receivable						
IIFL Facilities Services Limited	1.49	-	-	-	-	1.49
	(0.51)	(-)	(-)	(-)	(-)	(0.51)

Please refer ESOP note for ESOP outstanding to KMPs
Figures in brackets () represents previous year's figures.
0.00 denotes amount less than ₹ Fifty thousands

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

(₹ in Crores)

Name of Related Party	Outstanding as on 31-Mar-24	Maximum Outstanding during the year	Outstanding as on 31-Mar-23	Maximum Outstanding during the year
5paisa Capital Limited	-	100.00	-	-
IIFL Finance Limited	-	700.00	-	300.00
IIFL Securities Limited	-	250.00	-	200.00
IIFL Samasta Finance Limited	-	250.00	-	350.00

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2024 (₹ in Crores)

Sr. no.	Particulars	Within 12 Months	After 12 Months	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	781.71	-	781.71
(b)	Bank balance other than (a) above	218.23	81.00	299.23
(c)	Derivative financial instruments	-	-	-
(c)	Receivables			
	(I) Trade receivables	48.18	-	48.18
(d)	Loans	4,679.81	18,434.28	23,114.10
(e)	Investments	105.65	476.43	582.08
(f)	Other financial assets	21.64	466.87	488.50
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	20.56	20.56
(b)	Deferred tax assets (net)	-	35.95	35.95
(c)	Investment Property	-	2.16	2.16
(d)	Property, plant and equipment	-	7.61	7.61
(e)	Right of use assets	-	57.52	57.52
(f)	Other intangible assets	-	0.56	0.56
(g)	Intangible asset under development	-	0.34	0.34
(h)	Other non-financial assets	2.61	5.61	8.22
	Total Assets (A)	**5,857.83**	**19,588.89**	**25,446.72**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	2.61	2.61
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.12	-	3.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	67.97	-	67.97
(c)	Lease liability	22.49	40.77	63.26
(d)	Debt securities	771.17	2,841.87	3,613.04
(e)	Borrowings (other than debt securities)	2,509.76	10,523.42	13,033.18
(f)	Subordinated liabilities	25.52	1,011.86	1,037.38
(g)	Other financial liabilities	1,052.18	-	1,052.18
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	4.85	-	4.85
(b)	Provisions	21.78	9.26	31.04
(c)	Other non-financial liabilities	100.04	-	100.04
3	**Total liabilities (B)**	4,578.88	14,429.79	19,008.67
4	**Net Assets (A-B)**	1,278.95	5,159.10	6,438.05

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

S.R. BATLIBOI & ASSOCIATES LLP

IIFL HOME FINANCE LIMITED

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2023 (₹ in Crores)

Sr. no.	Particulars	Within 12 Months	After 12 Months	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,635.21	-	1,635.21
(b)	Bank balance other than (a) above	168.79	190.50	359.29
(c)	Derivative financial instruments	41.99	-	41.99
(c)	Receivables			
	(I) Trade receivables	47.50	-	47.50
(d)	Loans	3,515.70	14,205.46	17,721.16
(e)	Investments	1,419.87	7.32	1,427.19
(f)	Other financial assets	5.95	448.20	454.15
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	11.66	11.66
(b)	Deferred tax assets (net)	-	45.84	45.84
(c)	Investment Property	-	2.29	2.29
(d)	Property, plant and equipment	-	7.91	7.91
(e)	Right of use assets	-	50.22	50.22
(f)	Other intangible assets	-	0.44	0.44
(g)	Other non-financial assets	2.09	4.11	6.20
	Total Assets (A)	**6,837.10**	**14,973.95**	**21,811.05**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments		-	-
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	-	3.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	48.37	-	48.37
(c)	Lease liability	15.11	36.89	52.00
(d)	Debt securities	42.85	2,211.37	2,254.22
(e)	Borrowings (other than debt securities)	2,934.45	8,686.22	11,620.67
(f)	Subordinated liabilities	93.31	985.00	1,078.31
(g)	Other financial liabilities	897.91	5.21	903.12
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	16.01	-	16.01
(b)	Provisions	13.46	6.76	20.22
(c)	Other non-financial liabilities	261.00	-	261.00
3	**Total liabilities (B)**	**4,325.48**	**11,931.46**	**16,256.94**
4	**Net Assets (A-B)**	**2,511.62**	**3,042.49**	**5,554.11**

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

Note 43. Regroupings or reclassification

Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current year's classification. The details for regrouping are as follows:

Regrouped to	Regrouped from	Amount	Reasons
Loans	Assets Held for sale	5.47	Better presentation
Interest Income	Net Gain On Derecognition Of Financial Instruments Under Amortized Cost Category	12.13	Better presentation
Interest Income	Net Gain On Derecognition Of Financial Instruments Under FVTOCI	11.48	Better presentation
Impairment on financial instruments	Net Gain On Derecognition Of Financial Instruments Under Amortized Cost Category	28.68	Better presentation
Other expenses - Bank Charges	Other expenses - Office expenses	0.17	Better presentation

Note No. 44 Other Disclosures

A. Additional information pursuant to para 2 of schedule III on general instructions for the preparations of Consolidated Financial Statements:

(₹ In Crores)

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
Parent Entity IIFL Home Finance Limited	100.15%	6,447.40	101.01%	1,026.84	100.17%	(7.50)	101.02%	1,019.34
Indian Subsidiary IIHFL Sales Limited	0.21%	13.74	-0.04%	(0.38)	-0.30%	0.02	-0.04%	(0.36)
Eliminations	-0.36%	(23.09)	-0.97%	(9.91)	0.13%	(0.01)	-0.98%	(9.92)
Total	100.00%	6,438.05	100.00%	1,016.55	100.00%	(7.49)	100.00%	1,009.06

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Parent Entity IIFL Home Finance Limited	99.98%	5,553.20	102.89%	790.32	98.83%	11.67	102.83%	801.99
Indian Subsidiary IIHFL Sales Limited	0.25%	14.10	1.47%	11.26	0.00%	-	1.44%	11.26
Indian Associates (Investment as per the equity method) IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	0.00%	-	0.49%	3.76	1.20%	0.14	0.50%	3.91
Eliminations	-0.24%	(13.19)	-4.85%	(37.22)	-0.03%	(0.00)	-4.77%	(37.23)
Total	100.00%	5,554.11	100.00%	768.12	100.00%	11.81	100.00%	779.93

B. The company has used 2 accounting software in which the audit trail (edit log) feature is enabled and operated throughout the year. Further, the company has not noted any instances of changes in the audit trail feature during the year.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

S.R. BATLIBOI & ASSOCIATES LLP

IIFL HOME FINANCE LIMITED

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2024

C. These financial statements were authorised for issue by the Company's Board of Directors on May 06, 2024

As per our report of even date attached
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

Amit Kabra
Partner
Membership No. 094533

Place: Mumbai
Date: May 06, 2024

S.R. BATLIBOI & ASSOCIATES LLP

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:
121750W/W100010

Ramesh Gupta
Partner
Membership No. 102306

Place: Mumbai
Date: May 06, 2024

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R Venkataraman

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth

Gaurav Seth
Chief Financial Officer
Place: Mumbai

Date: May 06, 2024

S. R. Batliboi & Associates LLP
Chartered Accountants
67, Institutional Area,
Sector 44, Gurugram – 122003
Haryana, India

Suresh Surana & Associates LLP
Chartered Accountants
8th Floor, Bakhtawar, 229,
Nariman Point, Mumbai – 400021, India

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Home Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of IIFL Home Finance Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

Key audit matters	**How our audit addressed the key audit matter**
<u>Impairment of loans as at the balance sheet date (including determination of expected credit losses)</u> **<u>(as described in note 3 (j) of the standalone financial statements)</u>**	
The Company provide for impairment of its loans using the Expected Credit Loss ("ECL") model. ECL involves an estimation of probability weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Company's loans. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative factors for 'significant increase in credit risk' ("SICR") and 'default'. b) Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default, loss given default and exposure at default ; c) Determining effect of less frequent past events on future probability of default. d) Determining macro-economic factors impacting credit quality of loans. In view of the high degree of management's judgement involved in estimation of ECL, impairment of loans as at the balance sheet date (including expected credit losse) is a key audit matter.	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loans and assessed compliance of the policies with Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to applicable Reserve Bank of India guidelines, ("the RBI Guidelines"). • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the adequacy of disclosures included in the standalone financial statements with the relevant requirements of Ind AS 107 and 109.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon.

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

Chartered Accountants
Suresh Surana & Associates LLP
Mumbai

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these standalone financial statements, have been audited by the one of the joint auditors i.e. Suresh Surana & Associates LLP and one of the predecessor auditors i.e. M. P. Chitale & Co. who expressed an unmodified opinion on those standalone financial statements vide their report dated April 24, 2023.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 5 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 38B(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 38B(i) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or

Suresh Surana & Associates LLP Chartered Accountants

entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXFG3152

Place: Mumbai
Date: 6 May 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGAP4841

Place: Mumbai
Date: 6 May 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Re: IIFL Home Finance Limited

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use Assets.

(i)(a)(B) The Company has maintained proper records showing full particulars of Intangibles Assets recognized in the standalone financial statements.

(i)(b) In our opinion, the Company's program of verifying Property, Plant and Equipment including Right of Use Assets once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment, including Right of Use Assets, was carried out by the management during the current year and on the basis of explanations received no material discrepancies were noticed during the verification.

(i)(c) The title deeds of all the immovable properties classified as Property, Plant and Equipment, (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(i)(e) There are no proceedings initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii)(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The revised quarterly returns or statements for the quarters ended June 2023, September 2023 and December 2023 filed by the Company during the year with such banks or financial institutions are in agreement with books of account. Further, in respect of quarter ended March 2024, the return has been filed based on the provisional financial statements.

(iii)(a) Since, the Company's principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii)(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees

SURESH SURANA & ASSOCIATES LLP Chartered Accountants

to companies, firms, Limited Liability Partnerships or any other parties are, prima facie, not prejudicial to the Company's interest.

(iii)(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for 33,931 loans having total amount outstanding of Rs. 2,330.26 crores and overdue amount of Rs. 76.01 crores as at March 31, 2024 where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(iii)(d) In respect of loans and advances in the nature of loans, the total amount of cases which are overdue for more than ninety days as at March 31, 2024 is Rs. 340.91 crores and the number of such cases are 6,632. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(iii)(e) Since, the Company's principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(b) The dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company, which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the disputed dues	Amount under dispute (Rs in crores)	Amount paid* (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	7.28	7.28#	F.Y. 2019-20	CIT (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	0.76	0.04	F.Y. 2017-18	Commissioner of Appeals- Delhi

* paid under protest
\# adjusted against refund

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(ix)(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender during the year.

(ix)(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

(ix)(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been prima facie used for long-term purposes during the year by the Company.

(ix)(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

(ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any associate or joint venture.

(x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has not made any preferential allotment or placement of fully or partially or optionally convertible debentures during the year. Further, the Company has not raised money by way of private placement of shares during the year ended March 31, 2024. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year and up to the date of this report, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d) There is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year or the immediately preceding financial year.

(xviii) One of the predecessor joint statutory auditors of the Company have resigned during the year pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFC (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and there are no issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 38B.(g) to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the "Act"), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 38A to the standalone financial statements.

(xx)(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act. This matter has been disclosed in note 38A to the standalone financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXFG3152

Place: Mumbai
Date: 6 May 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGAP4841

Place: Mumbai
Date: 6 May 2024

Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report 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 with reference to the standalone financial statements of IIFL Home Finance Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements ("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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Suresh Surana & Associates LLP
Chartered Accountants
Mumbai

S. R. Batliboi & Associates LLP
Chartered Accountants
67, Institutional Area,
Sector 44, Gurugram – 122003
Haryana, India

Suresh Surana & Associates LLP
Chartered Accountants
8th Floor, Bakhtawar, 229,
Nariman Point, Mumbai – 400021, India

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership No.: 094533
UDIN: 24094533BKEXFG3152

Place: Mumbai
Date: 6 May 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGAP4841

Place: Mumbai
Date: 6 May 2024

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2024

(₹ in Crores)

Sr. no.	Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	4A	771.15	1,628.26
(b)	Bank balance other than (a) above	4B	299.23	359.29
(c)	Derivative financial instruments	5	-	41.99
(d)	Receivables	6		
	(I) Trade receivables		47.94	40.59
(e)	Loans	7	23,140.48	17,734.29
(f)	Investments	8	582.13	1,427.24
(g)	Other financial assets	9	486.44	452.36
(2)	Non-financial Assets			
(a)	Current tax assets (net)		18.78	11.46
(b)	Deferred tax Assets (net)	10	31.46	45.62
(c)	Investment property	11A	2.16	2.29
(d)	Property, plant and equipment	11B	7.42	7.65
(e)	Intangible asset under development	12	0.34	0.11
(f)	Other intangible assets	13A	0.56	0.44
(g)	Right of use assets	13B	38.55	27.78
(h)	Other non-financial assets	14	7.67	5.81
	Total Assets		25,434.31	21,785.18
	LIABILITIES AND EQUITY			
(1)	Financial Liabilities			
(a)	Derivative financial instruments	5	2.61	-
(b)	Payables	15		
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		3.12	3.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		70.61	47.94
(c)	Lease liabilities	12A	40.77	29.72
(d)	Debt securities	16	3,613.04	2,254.22
(e)	Borrowings (other than debt securities)	17	13,033.19	11,620.67
(f)	Subordinated liabilities	18	1,037.38	1,078.31
(g)	Other financial liabilities	19	1,052.19	897.91
(2)	Non-financial liabilities			
(a)	Current tax liabilities (net)		4.85	16.01
(b)	Provisions	20	30.04	19.34
(c)	Other non-financial liabilities	21	99.11	264.85
(3)	Equity			
(a)	Equity share capital	22	26.34	26.34
(b)	Other equity	23	6,421.06	5,526.86
	Total Liabilities and Equity		25,434.31	21,785.18

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

For and on behalf of the Board of Directors of IIFL Home Finance Limited

Amit Kabra
Partner
Membership No: 094533

Ramesh Gupta
Partner
Membership No: 102306

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Place: Mumbai
Date: May 06, 2024

Place: Mumbai
Date: May 06, 2024

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores except otherwise stated)

Sr. no.	Particulars	Note no.	FY 2023-24	FY 2022-23
(I)	Revenue from operations			
(i)	Interest income	24	2,916.86	2,297.53
(ii)	Dividend income	25	-	1.25
(iii)	Fees and commission income	26	187.84	114.47
(iv)	Net gain on fair value changes	27	4.47	59.65
(v)	Net gain on derecognition of financial instruments under FVTOCI	28.1	-	72.54
(vi)	Net gain on derecognition of equity shares under cost category		-	29.45
(I)	Total Revenue from operations		3,109.17	2,574.89
(II)	Other income	29	184.42	127.58
(III)	Total Income (I+II)		3,293.59	2,702.47
	Expenses			
(i)	Finance costs	30	1,327.78	1,182.09
(ii)	Net loss on derecognition of financial instruments under FVTOCI	28.1	1.03	-
(iii)	Impairment on financial instruments	31	116.64	138.05
(iv)	Employee benefits expenses	32	340.03	240.21
(v)	Depreciation, amortization and impairment	11A-13B	14.61	9.37
(vi)	Other expenses	33	165.29	109.86
(IV)	Total Expenses		1,965.38	1,679.58
(V)	Profit Before Tax (III-IV)		1,328.21	1,022.89
	Tax Expense:			
	(i) Current tax	34	272.55	227.05
	(ii) Deferred tax	10	28.90	6.29
	(iii) Adjustment of tax relating to earlier periods	34	(0.08)	(0.77)
(VI)	Total Tax Expense		301.37	232.57
(VII)	Profit for the year (V-VI)		1,026.84	790.32
(VIII)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain/ (loss) of defined benefit liabilities/(assets)		(0.83)	(0.48)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.21	0.12
	Subtotal (A)		(0.62)	(0.36)
	B (i) Items that will be reclassified to profit or loss			
	(a) Net movement on effective portion of cash flow hedge		(7.60)	16.83
	(b) Fair value of loans carried at fair value through other comprehensive income		(1.59)	(0.75)
	(ii) Income tax relating to items that will be reclassified to profit or loss		2.31	(4.05)
	Subtotal (B)		(6.88)	12.03
	Other Comprehensive Income (A+B)		(7.50)	11.67
(IX)	Total Comprehensive Income for the year (VII+VIII)		1,019.34	801.99
(X)	Earnings per equity share of face value Rs. 10 each	35		
	Basic (Rs.)		389.77	326.06
	Diluted (Rs.)		388.53	326.06

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
Membership No: 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No: 102306

Place: Mumbai
Date: May 06, 2024

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

S.R. BATLIBOI & ASSOCIATES LLP

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
MUMBAI

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Cash Flows from Operating Activities		
Profit before tax	1,328.21	1,022.89
Adjustments for:		
Depreciation and amortization	14.61	9.37
Impairment on financial instruments - loans	(128.48)	(3.60)
Finance costs	1,327.79	1,182.09
Interest on loans	(2,916.86)	(2,297.54)
Net (gain)/loss on derecognition of financial instruments	1.03	(72.54)
Net (gain)/loss on fair value changes	(25.76)	(58.65)
Net (gain)/loss on derecognition of equity shares under cost category	-	(29.45)
Net (gain)/loss on sale of assets	0.04	0.02
Interest paid on borrowings	(1,261.03)	(1,191.07)
(Gain)/loss on termination of lease	(0.72)	(0.06)
Interest received on loans	2,861.38	2,254.47
Dividend Income	-	(1.25)
Employee share based payment expenses	19.77	-
Operating Profit before Working Capital changes	1,219.97	813.69
Changes in Working Capital:		
Adjustments for (Increase)/decrease in Other financial assets	(35.40)	(22.98)
Adjustments for (Increase)/decrease in Trade receivables	(0.92)	(12.57)
Adjustments for (Increase)/decrease in Other non financial assets	(2.36)	(2.02)
Adjustments for (Increase)/decrease in Balances with banks - lien marked	0.05	0.47
Adjustments for (Increase)/decrease in Loans	(5,227.60)	(2,388.80)
Adjustments for Increase/(decrease) in Trade payables	22.78	0.13
Adjustments for Increase/(decrease) in Other financial liabilities	154.28	(43.51)
Adjustments for Increase/(decrease) in Other non-financial liabilities	(165.75)	211.02
Adjustments for Increase/(decrease) in Provisions	9.87	4.91
Operating Profit after Working Capital changes	(4,025.07)	(1,439.65)
Direct Taxes Paid (net)	(303.17)	(234.00)
Cash from Operations	(4,328.24)	(1,673.65)
Net cash generated from/(used in) Operating Activities (A)	(4,328.24)	(1,673.65)
Cash flow from Investing Activities		
Purchase of property, plant and equipment (including intangible assets)	(5.20)	(6.63)
Proceeds from sale of property, plant and equipment	0.58	1.39
Proceeds from dividend income		1.25
Investment in Fixed deposits	(4,810.01)	(2,636.31)
Proceeds from redemption of Fixed deposits	4,871.08	2,710.62
Purchase of investments	(8,654.93)	(21,807.34)
Proceeds from sale of investments (including sale of investment in associate during the previous year)	9,522.32	20,858.43
Proceeds from sale of investment property	-	3.98
Net Cash from / (used in) Investing Activities (B)	923.84	(874.61)
Cash flow from Financing Activities		
Proceeds from fresh issue of Equity shares including premium		2,200.00
Share issue expenses		(24.13)
Dividend paid	(144.90)	(105.38)
Proceeds from Borrowings	6,742.95	4,159.31
Repayment of Borrowings	(5,288.75)	(3,510.66)
Proceeds from issue of debt securities	1,390.00	330.00
Repayment of debt securities	(141.90)	(264.03)
Payment of interest on lease liabilities	(3.21)	(2.24)
Principal payment of lease liabilities	(8.79)	(5.08)
Net Cash from/(used in) Financing Activities (C)	2,547.30	2,777.79
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(857.11)	229.53
Cash and cash equivalents as at the beginning of the year	1,628.26	1,398.73
Cash and cash equivalents as at the end of the year	771.15	1,628.26
The accompanying notes are an integral part of the standalone financial statements		

As per our report of even date attached

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
Membership No: 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No: 102306

Place: Mumbai
Date: May 06, 2024

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

S.R. BATLIBOI & ASSOCIATES LLP

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital*

1. As at March 31, 2024

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
26.34	-	-	-	26.34

2. As at March 31, 2023

(₹ in Crores)

Balance at the beginning of the previous reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
20.97	-	-	5.37	26.34

*Refer Note 22

B. Other Equity

1. As at March 31, 2024

(₹ in Crores)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	2,969.65	143.86	561.07	1,837.62	-	5.57	9.09	5,526.86
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	2,969.65	143.86	561.07	1,837.62	-	5.57	9.09	5,526.86
Profit for the year	-	-	-	1,026.84	-	-	-	1,026.84
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note B)	-	-	-	-	-	(5.70)	-	(5.70)
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(1.19)	(1.19)
Remeasurement of defined benefit (Net of Tax) (Refer Note C)	-	-	-	(0.62)	-	-	-	(0.62)
Total Comprehensive Income for the year	-	-	-	1,026.22	-	(5.70)	(1.19)	1,019.33
Additions during the year (Refer Note E)	-	-	-	-	19.77	-	-	19.77
Equity Dividend (Refer Note F)	-	-	-	(144.90)		-	-	(144.90)
Transfer to Special Reserve (Refer Note D)	-	-	205.40	(205.40)		-	-	-
Balance at the end of the Current reporting year	2,969.65	143.86	766.47	2,513.54	19.77	(0.13)	7.90	6,421.06

2. As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Share Option Outstanding Account	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	799.16	143.86	402.97	1,311.13	-	(7.03)	9.65	2,659.74
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	799.16	143.86	402.97	1,311.13	-	(7.03)	9.65	2,659.74
Profit for the year	-	-	-	790.32	-	-	-	790.32
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note B)	-	-	-	-	-	12.60	-	12.60
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(0.56)	(0.56)
Remeasurement of defined benefit (Net of Tax) (Refer Note C)	-	-	-	(0.36)	-	-	-	(0.36)
Total Comprehensive Income for the year	-	-	-	789.97	-	12.60	(0.56)	802.00
Addition during the year	2,194.62							2,194.62
Share issue expenses	(24.13)							(24.13)
Equity Dividend (Refer Note F)	-	-	-	(105.38)	-	-	-	(105.38)
Transfer to Special Reserve (Refer Note D)	-	-	158.10	(158.10)	-	-	-	-
Balance at the end of the Previous reporting year	2,969.65	143.86	561.07	1,837.62	-	5.57	9.09	5,526.86

A. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crores. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crores has been charged to securities premium account.

B. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

C. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

D. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

E. The Share Option Outstanding Account represents reserve created in respect of equity settled share options granted to the employees of the Company.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL HOME FINANCE LIMITED

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

[illegible]

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
Membership No. [illegible]

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

[illegible]
Partner
Membership No. [illegible]

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Non Executive Director
DIN: [illegible]
Place: Mumbai

Monu Ratra
Executive Director & CEO
DIN: [illegible]
Place: Mumbai

Ganesh Seth
Chief Financial Officer
Place: Mumbai

Ajay Jaiswal
Company Secretary
[illegible]
Place: Mumbai

Place: Mumbai
Date: May [illegible], 2024

Place: Mumbai
Date: May [illegible], 2024

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance Limited. IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time . The Company is classified under "Middle Layer" pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale based Regulation) Directions, 2023 dated October 19, 2023, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company's registered office is at Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604.

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Companies Act, 2013 ("the Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or a revision to an existing Accounting Standards requires a change in the accounting policy hitherto in use.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

"Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

The financial statements are presented in Indian Rupees (INR) and all values are rounded in crores upto two decimals thereof except when otherwise stated.

(d) Basis of measurements

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

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

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

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

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.
- Creation of additional management overlay to reflect among other things an increased risk of deterioration in performance of pool of specific assets.

iii. Effective interest rate computation

a. On Financial Assets

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received/paid), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument and transactional fees/cost which are directly attributable. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the company at each reporting date and material changes, if any are given effect to.

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

b. On Financial Liabilities:
Computation of effective interest rate involves significant estimates and judgements with respect to borrowings tenure, nature and timings of such estimated cashflows considering the contractual terms of the financial instrument and transactional fees/cost which are directly attributable.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company applies appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Taxes

Current Tax: The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for current taxes, including amount expected to be paid/recovered for certain tax positions.

Deferred tax: Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

vi. Provisions and contingencies

Provisions and contingencies are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value of share-based payments: Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

Note 3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Revenue recognition

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

i. Interest income and dividend income

Interest income on financial instruments measured at amortised cost/Fair value through other comprehensive income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable except for financial assets which are credit impaired. Interest income on pool of loan accounts which are assigned is recognised net off interest payable to assignees on the assigned pool of loan accounts.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument adjusted for its past behaviour pattern.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is recognised on receipt basis..

Penal Interest are recognised as income on realisation.

Chartered Accountants

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Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Income in the form of fees and charges includes cheque bouncing charges, prepayment charges, etc. are recognised on realisation.

iii. Net gain /(loss)on fair value changes

Net gain /(loss) on fair value changes includes gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

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

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

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

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

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

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

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

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

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Company
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

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

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

(f) Impairment of Assets other than financials assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets, intangible assets under development and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets, intangible assets under development and investment property are tested for impairment so as to determine the impairment loss, if any.

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

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

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

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

(g) Employee benefits

i. Share based payments

The Company operates Employee Stock Option Scheme ('the Scheme') which provides for the grant of options to acquire equity shares of the Company to its employees and others providing similar services. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

These equity-settled share based payments to employees are measured at the fair value of the equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity stock options that will eventually vest, with a corresponding increase in other equity (Share option outstanding account). The fair value of options is estimated using valuation techniques, which incorporate exercise price, term, risk-free interest rates, the current share price, its expected volatility etc.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share option outstanding account.

On cancellation or lapse of option granted to employees, the employee stock option cost charged to statement of profit & loss is credited with corresponding decrease in other equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ii. Defined contribution plans

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

iii. Short term employee benefits

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

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

iv. Defined benefit plans

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date. Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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

(h) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

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

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

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

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL HOME FINANCE LIMITED

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Notes forming part of Standalone Financial Statements as at and for year ended March 31, 2024

(i) Taxes on income

Current tax

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

Deferred tax

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

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

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

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

(j) Financial instruments

Recognition and Initial Measurement

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or

IIFL HOME FINANCE LIMITED

deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial Assets measured at amortised cost

Financial assets that meet the following criteria are measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial Assets measured at fair value through other comprehensive income ("FVTOCI")

Financial Assets that meet the following criteria are measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit or loss for FVTOCI financial assets. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value and classified as at FVTPL.

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not measured at fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.
ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

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A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the life of the financial instruments.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2/Stage 3 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed as EAD*PD*LGD which takes into account historical credit loss experience and forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is the maximum exposure as on the reporting date. It includes principal, interest and sanctioned but undisbursed amount (with certain exceptions for Stage 3 & SICR cases). Interest also includes interest accrued but not due.
- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.
- Loss given default ("LGD") estimates the loss which Company incurs post customer default. It is computed using historical loss, recovery experience and value of collateral. It is usually expressed as a percentage of the Exposure at default ("EAD").

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Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the company measures the loss allowance based on lifetime rather than 12-month ECL.

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations and upgraded to Stage 1 only on the event of clearance of all overdue of the customer.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When a financial asset is modified, the Company assesses whether this modification results in derecognition.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under assignment arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company assesses the derecognition test where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e. retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the estimated life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in credit to impairment on financial instrument.

Financial liabilities and equity Instruments

Financial liability and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are recognised initially at fair value net of transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial liabilities except fair value in the case of financial liabilities recorded at fair value through profit or loss

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting financial instruments: Financial assets and financial liabilities are offset and the net amount is reported in the interim balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(k) Derivative financial instrument

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The

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resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss."

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in statement of profit and loss.

(I) Investments in Subsidiaries and Associates

Investments in Subsidiaries and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

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(m) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(n) Goods and service tax input credit

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

(o) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(p) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(q) Segment reporting

The Managing Director (MD) of the Company has been identified as the chief operating decision maker (CODM) as defined in the Ind AS 108 "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision.

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(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

Contingent Liability is

a. possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

b. present obligation that arises from past events but is not recognized because;

i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

ii. the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(s) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

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(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(u) Statement of Cash Flows

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

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

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

(v) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognised directly in Other Equity.

(vi) Recent Pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023. The material pronouncement has been disclosed as below:

Ind AS 1 Presentation of Financial Statements: The amendments require the Company to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of Restated Summary Statements. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Restated Summary Statement.

Ind AS 12 Income taxes: The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

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Note 4A. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	1.56	1.54
Cheques on hand	1.22	105.73
Balance with banks		
-In current accounts	268.17	82.64
-In deposit accounts (original maturity less than or equal to three months)	500.20	1,438.35
Cash and cash equivalents	**771.15**	**1,628.26**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs	4.64	4.70
In deposit accounts (refer note 4B.1 below)	294.59	354.59
Total	**299.23**	**359.29**

Note 4B.1 Out of the deposit accounts shown above:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lien marked towards overdraft facilities	166.54	157.24
Lien marked towards other commitments	47.23	15.42
Margin for credit enhancement	80.80	80.68
Total	**294.57**	**253.34**

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Note 5. Derivatives financial instruments

(₹ in Crores)

Part I	As at March 31, 2024				As at March 31, 2023			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilities)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilities)
(i) Currency derivatives:								
-Cross currency interest rate swaps	413.10	-	4.26	(4.26)	363.08	44.02	-	44.02
Subtotal (i)	**413.10**	-	**4.26**	**(4.26)**	**363.08**	**44.02**	-	**44.02**
(ii) Other derivatives								
-Forward contract	1,092.46	1.65	-	1.65	968.75	-	2.03	(2.03)
Subtotal (ii)	**1,092.46**	**1.65**	-	**1.65**	**968.75**	-	**2.03**	(2.03)
Total derivative (i+ii)	**1,505.56**	**1.65**	**4.26**	**(2.61)**	**1,331.83**	**44.02**	**2.03**	**41.99**

(₹ in Crores)

Part II	As at March 31, 2024				As at March 31, 2023			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilities)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilities)
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
- Currency derivatives	413.10	-	4.26	**(4.26)**	363.08	44.02	-	44.02
-Forward contract	1,092.46	1.65	-	**1.65**	-	-	-	-
(ii) Undesignated derivatives								
-Forward contract	-	-	-	-	968.75	-	2.03	(2.03)
Total derivative financial instruments (i+ii)	**1,505.56**	**1.65**	**4.26**	**(2.61)**	**1,331.83**	**44.02**	**2.03**	**41.99**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1 and 39 A.3(II).

(₹ in Crores)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2024						
Derivative asset	-	1.65	-	-	-	1.65
Derivative liabilities	-	4.26	-	-	-	4.26
Net Derivative Asset / (Liabilities)	**1,505.56**	**(2.61)**	-	-	**1,505.56**	**(2.61)**
As at March 31, 2023						
Derivative asset	-	**44.02**	-	-	-	44.02
Derivative liabilities	-	**2.03**	-	-	-	2.03
Net Derivative Asset / (Liabilities)	**1,331.83**	**41.99**		-	**1,332**	**41.99**

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5.1 Hedging activities and derivatives

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.
The Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 18.16 Crores (as at March 31, 2023 USD 16.79 Crores). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with a Derivative Forward Contract.

The Company uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Other Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Notional amount	1,505.56	1,331.83
Carrying amount - Asset / (Liability)	(2.61)	41.99
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	(5.70)	10.04

(₹ in Crores)

Impact of hedging item	FY 2023-24	FY 2022-23
Change in fair value	(5.70)	10.04
Cash flow hedge reserve	(5.70)	12.60
Fair value change charged in Statement of Profit & Loss	-	(2.56)

(₹ in Crores)

Effect of Cash flow hedge	FY 2023-24	FY 2022-23
Total hedging gain / (loss) recognised in OCI	(5.70)	12.60
Total hedging gain / (loss) recognised in the statement of profit or (loss)	-	(2.56)

(₹ in Crores)

Hedging gain / (loss) recognised in OCI	FY 2023-24	FY 2022-23
(Gain)/Loss On Swap Transaction	56.13	49.60
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(48.52)	(32.76)
Tax implication on above	(1.91)	(4.24)
Total	**5.70**	**12.60**

(₹ in Crores)

Hedging gain / (loss) recognised in the statement of profit or (loss)	FY 2023-24	FY 2022-23
Gain/(Loss) On Swap Transaction	-	(0.53)
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	-	(2.03)
Tax implication on above	-	-
Total	-	**(2.56)**

Note 6. Receivables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
Receivables considered good - unsecured	47.78	40.51
Receivables which have significant increase in credit risk	0.20	0.10
Receivables - credit impaired	-	6.45
Total - gross	**47.98**	**47.06**
Less: Impairment loss allowance		
Receivables which have significant increase in credit risk	(0.04)	(0.02)
Receivables - credit impaired	-	(6.45)
Total	**47.94**	**40.59**

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.

Trade Receivables are not interest bearing.

Trade Receivables aging schedule

(₹ In Crores)

Particulars	Outstanding for following period from the date of transaction						Total
	Unbilled	Less than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2024							
Undisputed Trade receivables – considered good	10.98	36.80	-	-	-	-	47.78
Undisputed Trade receivables – significant increase in credit risk	-	0.03	0.15	0.02			0.20
Undisputed Trade receivables – credit impaired	-	-	-				-
As at March 31, 2023							
Undisputed Trade receivables – considered good	2.34	38.17	-				40.51
Undisputed Trade receivables – significant increase in credit risk	-	0.06	0.04				0.10
Undisputed Trade receivables – credit impaired	-	-	6.45				6.45

Less than 6 months include ₹ 36.60 crores (as at March 31, 2023 ₹ 27.69 crores) which are not due

Note 7. Loans

(₹ in Crores)

Particulars	As at March 31, 2024 Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	19,683.16	3,828.32	23,511.48
Total (A) - Gross	**19,683.16**	**3,828.32**	**23,511.48**
Less: Impairment loss allowance	(353.53)	(17.47)	(371.00)
Total (A) - Net	**19,329.63**	**3,810.85**	**23,140.48**
(B)			
(i) Secured by tangible assets	19,619.74	3,828.32	23,448.06
(ii) Secured by Government Guarantee	57.30	-	57.30
(iii) Unsecured	6.12	-	6.12
Total (B) - Gross	**19,683.16**	**3,828.32**	**23,511.48**
Less: Impairment loss allowance	(353.53)	(17.47)	(371.00)
Total (B) - Net	**19,329.63**	**3,810.85**	**23,140.48**
(C)			
(I) Loans in India	**19,683.16**	**3,828.32**	**23,511.48**
(i) Public sector	-	-	-
(ii) Other than Public sector	19,683.16	3,828.32	23,511.48
Less: Impairment loss allowance	(353.53)	(17.47)	(371.00)
Total (C) - (I) Net	**19,329.63**	**3,810.85**	**23,140.48**
(II) Loans outside India			
Less: Impairment loss allowance	-	-	-
Total (C) (II)	-	-	-
Total C (I) and C (II)	**19,329.63**	**3,810.85**	**23,140.48**

(₹ in Crores)

Particulars	As at March 31, 2023 Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	15,373.84	2,854.50	18,228.34
Total (A) - Gross	**15,373.84**	**2,854.50**	**18,228.34**
Less: Impairment loss allowance	(468.74)	(25.31)	(494.05)
Total (A) - Net	**14,905.10**	**2,829.19**	**17,734.29**
(B)			
(i) Secured by tangible assets	15,223.83	2,853.78	18,077.61
(ii) Secured by Government Guarantee	144.39	0.72	145.11
(iii) Unsecured	5.62	-	5.62
Total (B) - Gross	**15,373.84**	**2,854.50**	**18,228.34**
Less: Impairment loss allowance	(468.74)	(25.31)	(494.05)
Total (B) - Net	**14,905.10**	**2,829.19**	**17,734.29**
(C)			
(I) Loans in India	**15,373.84**	**2,854.50**	**18,228.34**
(i) Public sector	-	-	-
(ii) Others	15,373.84	2,854.50	18,228.34
Less: Impairment loss allowance	(468.74)	(25.31)	(494.05)
Total (C) - Net	**14,905.10**	**2,829.19**	**17,734.29**
(II)Loans outside India			
Less: Impairment loss allowance	-	-	-
Total (C) (II)	-	-	-
Total C (I) and C (II)	**14,905.10**	**2,829.19**	**17,734.29**

The above Term Loans includes ₹ 229.19 Crores (as at March 31, 2023, ₹ 172.98 Crores) towards interest accrued and overdues, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Unsecured represents amount where in the exposure exceeds the collateral value.

Note 7.1:
The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

IIFL HOME FINANCE LIMITED

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Note 8. Investments

(₹ in Crores)

Particulars	As at March 31, 2024			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
(i) Investments in Government Securities	50.89	-	-	50.89
(ii) Investments in Debt Securities	241.21	75.93	-	317.14
(iii) Investment in Subsidiary	-	-	0.05	0.05
(iv) Investment in Others:				
(a) Pass through cetificates	-	6.20	-	6.20
(b) Commercial Papers	-	99.35	-	99.35
(c) Security receipts	109.50			109.50
Total - Gross (A)	**401.60**	**181.48**	**0.05**	**583.13**
(B)				
(i) Investments in India	401.60	181.48	0.05	583.13
Total (B)	**401.60**	**181.48**	**0.05**	**583.13**
(C)				
Less: Impairment loss allowance	-	(1.00)	-	(1.00)
Total- Net (A-C)	**401.60**	**180.48**	**0.05**	**582.13**

(₹ in Crores)

Particulars	As at March 31, 2023			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
(i) Investments in Debt Securities	210.13	-	-	210.13
(ii) Investments in Subsidiary	-	-	0.05	0.05
(iii) Investment in Others:				
(a) Alternate Investment Funds	161.44	-	-	161.44
(b) Pass through certificates	-	7.61	-	7.61
(c) Certificate of Deposits		650.59	-	650.59
(d) Commercial Papers		397.42	-	397.42
Total - Gross (A)	**371.57**	**1,055.62**	**0.05**	**1,427.24**
(B)				
(i) Investments in India	371.57	1,055.62	0.05	1,427.24
Total (B)	**371.57**	**1,055.62**	**0.05**	**1,427.24**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**371.57**	**1,055.62**	**0.05**	**1,427.24**

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2024	
	Quantity (in actuals)	Carrying Value (₹ in Crores)
Investments in Debt Securities		
Measured at FVTPL:		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29May26 FV Rs 10Lac	22	2.24
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May25 FV Rs 10Lac	250	25.34
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May31 FV Rs10Lac	250	26.55
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May24 FV Rs10Lac	250	6.30
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May27 FV Rs10Lac	250	25.71
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May28 FV Rs 10Lac	250	25.77
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May29 FV Rs 10Lac	250	25.78
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May30 FV Rs 10Lac	250	26.14
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May32 FV Rs 10Lac	250	26.39
Adani Ports And Special Economic Zone Limited SR 1 8.70 NCD 09JN29 FVRS1LAC	5,000	50.99
Total		**241.21**
Measured at Amortised Cost:		
Vatika One India Next Private Limited - 15.75 NCD FV Rs 1 Lac	4,240	44.98
Vatika Limited - 16.55 NCD FV Rs 1 Lac	2,873	30.95
Total		**75.93**
Investments in Subsidiary		
Equity Instrument of IIHFL Sales Limited	50,000	0.05
Investment in Other securities:		
Investment in Security Receipts		
RARE ARC 06803	10,95,000	109.50
Investment in Government Securities		
7.18% G.S. 2033	50,00,000	50.89
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	6.20
Commercial Papers:		
Deutsche Investments India Private Limited 162D CP	1,000	49.66
National Bank For Agriculture And Rural Development 91D CP 30Apr24	1,000	49.69
Total		**99.35**

Particulars	As at March 31, 2023	
	Quantity (in actuals)	Carrying Value (₹ in Crores)
Investments in Debt Securities		
Measured at FVTPL:		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29May26 FV Rs 10Lac	22	2.25
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May25 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30May31 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May23 FV Rs 2.5Lac	250	6.31
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May24 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May27 FV Rs10Lac	250	25.16
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May28 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May29 FV Rs 10Lac	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May30 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31May32 FV Rs 10Lac	250	25.21
Total		**210.13**
Investments in Subsidiary		
Equity Instrument of IIHFL Sales Limited	50,000	0.05
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	13,43,13,931	161.44
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	7.61
Certificate of Deposits:		
Axis Bank Limited CD 15May23	500	24.79
Bank of Maharashtra CD 05Apr23	2,000	99.92
Bank of Maharashtra CD 12May23	1,000	49.60
Canara Bank CD 17Apr23	2,000	99.69
HDFC Bank Limited CD 13Apr23	2,000	99.77
HDFC Bank Limited CD 15May23	1,600	79.33
Punjab National Bank CD 18May23	2,000	99.09
Punjab National Bank CD 23Jun23	2,000	98.40
Total		**650.59**
Commercial Papers:		
National Bank For Agriculture And Rural Development 90D CP 20Apr23	6,000	298.87
Small Industries Development Bank of India 91D CP 16Jun23	2,000	98.55
Total		**397.42**

Note 9. Other financial assets

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Security deposits		
- Unsecured, considered good	3.64	2.40
- Unsecured, which have significant increase in credit risk	0.76	0.92
Less: Impairment loss allowance (Refer Note 9.1 below)	(0.76)	(0.92)
Interest strip asset on assignment	374.55	375.59
Other receivables*	108.25	74.37
Total	**486.44**	**452.36**

* Includes amount pertaining to receivables on account of assignment transaction.

Note 9.1. Impairment loss allowance on Security Deposits

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening provision	0.92	0.80
Additions	0.04	0.13
Reductions	(0.18)	(0.01)
Closing provision	**0.76**	**0.92**

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2024 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.63	0.12	-	0.75
Expected credit losses	127.22	(33.59)	-	93.63
Provision for employee benefits	2.52	1.52	0.21	4.25
Lease liabilities	7.66	2.86	-	10.52
Adjustment pertaining to income and expenses recognition based on effective interest rate	26.83	4.13	-	30.96
Fair value of financial instruments			0.40	0.40
Fair value of derivative financial instruments	(11.20)	-	14.13	2.93
Total deferred tax assets (A)	**153.66**	**(24.96)**	**14.74**	**143.44**
Deferred tax liabilities:				
Interest strip asset on assignment	(94.54)	0.25	-	(94.29)
Fair value of financial instruments	(6.50)	(1.49)	-	(7.99)
Right of use of Assets	(6.99)	(2.71)	-	(9.70)
Total deferred tax liabilities (B)	**(108.03)**	**(3.95)**	-	**(111.98)**
Deferred tax assets (A+B)	**45.63**	**(28.91)**	**14.74**	**31.46**

Significant components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.64	(0.01)	-	0.63
Expected credit losses	128.13	(0.91)	-	127.22
Provision for employee benefits	1.62	0.78	0.12	2.52
Fair value of derivative financial instruments	-	-	-	-
Right of use of Assets and lease liabilities	0.60	0.06	-	0.66
Adjustment pertaining to income and expenses recognition based on effective interest rate	20.17	6.66	-	26.83
Total deferred tax assets (A)	**151.16**	**6.58**	**0.12**	**157.86**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(8.83)	8.83	-	-
Interest strip asset on assignment	(76.28)	(18.26)	-	(94.54)
Fair value of financial instruments	(3.23)	(3.44)	0.17	(6.50)
Fair value of derivative financial instruments	1.27	-	(12.47)	(11.20)
Total deferred tax liabilities (B)	**(87.07)**	**(12.87)**	**(12.30)**	**(112.24)**
Deferred tax assets (A+B)	**64.09**	**(6.29)**	**(12.18)**	**45.62**

Note 11A. Investment Property

(₹ in Crores)

Particulars	Building
As at March 31, 2022	**7.48**
Additions	-
Deductions/Adjustments	4.73
As at March 31, 2023	**2.75**
Additions	-
Deductions/Adjustments	-
As at March 31, 2024	**2.75**

Accumulated Depreciation	
As at March 31, 2022	**0.85**
Depreciation for the year	0.36
Deductions/Adjustments	0.75
As at March 31, 2023	**0.46**
Depreciation for the year	0.13
Deductions/Adjustments	-
As at March 31, 2024	**0.59**

Net Block as at March 31, 2023	2.29
Net Block as at March 31, 2024	2.16

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ in Crores)

Particulars	Building
As at March 31, 2022	**8.78**
Additions resulting from acquisition	-
Changes in the fair value (including sale)	(5.10)
As at March 31, 2023	**3.68**
Additions resulting from acquisition	-
Changes in the fair value	0.22
As at March 31, 2024	**3.90**

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an independent un-registered Valuer. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used.

IIFL HOME FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2024

Note 11A.2. Title deeds of Immovable Property not held in name of the Company

As at March 31, 2024

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

As at March 31, 2023

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

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Note 11B. Property, Plant and Equipment

(₹ in Crores)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
As at March 31, 2022	**0.09**	**1.53**	**0.95**	**0.78**	**10.26**	**-**	**13.61**
Additions	-	0.22	0.15	0.64	4.21	0.69	5.91
Deductions/Adjustments	-	0.08	0.01	0.04	2.12	-	2.25
As at March 31, 2023	**0.09**	**1.67**	**1.09**	**1.38**	**12.35**	**0.69**	**17.27**
Additions	-	0.62	0.25	0.45	3.77	-	5.08
Deductions/Adjustments	-	0.31	0.08	0.15	2.39	-	2.93
As at March 31, 2024	**0.09**	**1.98**	**1.26**	**1.68**	**13.73**	**0.69**	**19.42**
Accumulated Depreciation							
As at March 31, 2022	-	**0.95**	**0.63**	**0.51**	**4.97**	**-**	**7.06**
Depreciation for the year	-	0.26	0.15	0.21	2.74	0.05	3.41
Deductions/Adjustments	-	0.07	0.01	0.04	0.73	-	0.85
As at March 31, 2023	-	**1.14**	**0.77**	**0.68**	**6.98**	**0.05**	**9.62**
Depreciation for the year	-	0.35	0.17	0.27	3.36	0.14	4.29
Deductions/Adjustments	-	0.23	0.04	0.08	1.55	-	1.91
As at March 31, 2024	-	**1.26**	**0.90**	**0.87**	**8.79**	**0.19**	**12.00**
Net Block as at March 31, 2023	**0.09**	**0.53**	**0.32**	**0.70**	**5.37**	**0.64**	**7.65**
Net Block as at March 31, 2024	**0.09**	**0.72**	**0.36**	**0.81**	**4.94**	**0.50**	**7.42**

* The above Freehold Land is hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12. Intangible asset under development

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.11	-
Additions during the year	0.34	0.11
Capitalised during the year	0.11	-
Closing balance	**0.34**	**0.11**

Ageing schedule

(₹ in Crores)

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.34	-	-	-	**0.34**
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.11	-	-	-	**0.11**
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 13A. Other Intangible Assets

(₹ in Crores)

Particulars	Computer Software
As at March 31, 2022	**1.22**
Additions	0.47
Deductions/Adjustments	-
As at March 31, 2023	**1.69**
Additions	0.45
Deductions/Adjustments	-
As at March 31, 2024	**2.14**
Accumulated Depreciation	
As at March 31, 2022	**1.04**
Depreciation For the year	0.21
Deductions/Adjustments	-
As at March 31, 2023	**1.25**
Depreciation For the year	0.33
Deductions/Adjustments	-
As at March 31, 2024	**1.58**
Net Block as at March 31, 2023	**0.44**
Net Block as at March 31, 2024	**0.56**

The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

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Note 13B. Leases

Statement showing movement in lease liabilities

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at March 31, 2022	**16.38**	**1.00**	**17.38**
Additions	14.91	3.28	**18.18**
Deductions/Adjustments	0.70	0.06	**0.76**
Finance cost accrued during the year	2.05	0.18	**2.24**
Payment of lease liabilities	6.47	0.85	**7.32**
As at March 31, 2023	**26.17**	**3.55**	**29.72**
Additions	21.56	1.81	**23.37**
Deductions/Adjustments	3.45	0.08	**3.53**
Finance cost accrued during the year	2.97	0.34	**3.31**
Payment of lease liabilities	10.43	1.67	**12.10**
As at March 31, 2024	**36.82**	**3.95**	**40.77**

Statement showing carrying value of right of use

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at March 31, 2022	**14.50**	**0.95**	**15.45**
Additions	15.16	3.28	**18.44**
Deductions/Adjustments	0.65	0.07	**0.72**
Depreciation	4.63	0.76	**5.39**
As at March 31, 2023	**24.38**	**3.40**	**27.78**
Additions	21.56	1.81	**23.37**
Deductions/Adjustments	2.67	0.07	**2.74**
Depreciation	8.46	1.40	**9.86**
As at March 31, 2024	**34.81**	**3.74**	**38.55**

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	10.56	6.28
Non- Current lease liabilities	30.21	23.44

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Due for		
Up to One year	13.61	8.55
One year to Two years	9.29	8.03
Two to Five years	17.66	13.67
More than Five years	11.06	7.33
Total	**51.62**	**37.58**

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Interest on lease liabilities	3.31	2.24
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.15	0.21
Total	**3.46**	**2.45**

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Payment of interest on lease liabilities	3.31	2.24
Payment of lease liabilities	8.79	5.08
Total cash outflows for leases	**12.10**	**7.32**

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Note 14. Other Non Financial Assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	0.06	0.20
Prepaid expenses	5.39	3.59
Advances to vendors	2.20	2.01
Staff advances	0.02	0.01
Total	**7.67**	**5.81**

Note 15. Trade Payables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	3.12	3.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	70.61	47.94
Total	**73.73**	**50.95**

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Principal amount remaining unpaid to any supplier at the year end	3.12	3.01
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Trade Payables aging schedule

(₹ in Crores)

Particulars	Outstanding for following period from the date of transaction					Total
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More then 3 years	
As at March 31, 2024						
(i) Total outstanding dues of micro enterprises and small enterprises	3.08	0.04	-	-	-	**3.12**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	59.64	10.89	0.05	-	0.03	**70.61**
As at March 31, 2023						
(i) Total outstanding dues of micro enterprises and small enterprises	3.00	0.01	-	-	-	**3.01**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	43.21	4.73	-	-	-	**47.94**

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

Note 16. Debt Securities

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	3,221.89	2,109.31
Zero Coupon Bonds -(Refer Note (a) and 16.1)	158.51	144.91
Total (A)	**3,380.40**	**2,254.22**
Unsecured:		
Commercial Paper - (Refer Note 16.1)	232.64	-
Total (B)	**232.64**	-
Total (A+B)	**3,613.04**	**2,254.22**
Debt securities in India	3,613.04	2,254.22
Debt securities outside India	-	-

a. The above Non Convertible Debentures (NCDs) and Bonds are secured by way of first pari passu charge in favour of Debenture Trustee by way of hypothecation on receivables of the Company, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in favour of certain existing charge holders. The NCDs/Bonds, other than Market linked debentures (MLDs) are issued with fixed coupon rate and redeemable at par. NCDs/Bonds in the nature of MLDs are G-Sec linked and the interest is payable on maturity.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contains a repayment clause by way of reduction in face value ₹ 15.00 Crores (from March 20, 2024) (As at March 31, 2023 ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024)) and NCDs carrying call and put option of ₹ 280.00 Crores (from April 02, 2025) (As at March 31, 2023 ₹ 280.00 Crores (from April 02, 2025)).

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Note 16.1 - Terms of repayment

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest	Amount	Rate of Interest
Secured NCD (A)				
(a) Fixed:				
More than 5 years	933.69	5.00% - 9.18%	1,315.50	5.00% - 9.18%
3- 5 Years	956.36	5.00% - 8.75%	215.25	8.20% - 8.62%
1-3 Years	940.03	5.00% - 10.05%	535.72	8.25% - 10.33%
Less than 1 year	391.81	5.00% - 8.59%	42.84	5.00% - 10.33%
Total Secured NCD (A)	**3,221.89**		**2,109.31**	

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Yield	Amount	Yield
Secured Zero Coupon (B)				
More than 5 years	-	-	6.15	8.75%
3- 5 Years	6.65	8.75%	4.72	8.50%
1-3 Years	5.13	8.50%	134.04	8.25% - 10.30%
Less than 1 year	146.73	8.25% - 10.30%	-	
Total Secured Zero Coupon (B)	**158.51**		**144.91**	

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured (C)				
Commercial Paper				
Less than 1 year	232.64	9.05%	-	-
Total Unsecured (C)	**232.64**		-	

Note 16.2(a) - Security wise details of Secured NCD

(₹ in Crores)

Particulars	Coupon	As at March 31, 2024	As at March 31, 2023
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche II. Date of maturity - 03/01/2025	8.25%	225.72	225.72
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Date of maturity - 19/12/2025	10.33%	-	15.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Date of maturity - 20/03/2026	10.05%	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8. Date of maturity - 31/03/2026	8.50%	280.00	280.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D9. Date of maturity - 22/05/2026	8.50%	320.00	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series D7. Date of maturity - 28/09/2026	8.20%	112.00	112.00
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series III Tranche II. Date of maturity - 03/01/2027	8.20%	52.65	52.65
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV Tranche II. Date of maturity - 03/01/2027	8.50%	13.60	13.60
8.36% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series D10. Date of maturity - 15/08/2027	8.36%	273.33	-
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series. D3. Date of maturity - 11/02/2028	8.60%	18.00	18.00
8.62% Secured Rated Listed Redeemable Non Convertible Debentures. Series D4. Date of maturity - 12/03/2028	8.62%	19.00	19.00
8.36% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series D10. Date of maturity - 15/08/2028	8.36%	273.33	-
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series VI Tranche II. Date of maturity - 03/01/2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series VII Tranche II. Date of maturity - 03/01/2029	8.75%	22.18	22.18
8.70% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5. Date of maturity - 16/04/2029	8.70%	36.00	36.00
8.36% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series D10. Date of maturity - 15/08/2029	8.36%	273.33	
9.18% Secured Rated Listed Redeemable Non Convertible Debentures. Series C15. Date of maturity - 03/10/2029	9.18%	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series AD I. Date of maturity - 25/02/2030	8.59%	371.40	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures. Series D6. Date of maturity - 14/05/2030	8.70%	109.00	109.00
8.69% Secured Rated Listed Redeemable Non Convertible Debentures. Series. Series D2. Date of maturity - 12/11/2030	8.69%	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series AD II. Date of maturity - 28/02/2031	5.00%	74.70	74.70
Total		**3,142.98**	**2,079.89**

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 16.2(b) - Security wise details of Secured Zero Coupon Bond

(₹ in Crores)

Particulars	Yield	As at March 31, 2024	As at March 31, 2023
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date of maturity - 25/04/2024	9.12%	51.30	51.30
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date of maturity - 27/06/2024	10.30%	20.00	20.00
Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche II. Date of maturity - 03/01/2025	8.25%	26.73	26.73
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche II. Date of maturity - 03/01/2027	8.50%	4.25	4.25
Secured Rated Listed Redeemable Non Convertible Debenture. Series VIII Tranche II. Date of maturity - 03/01/2029	8.75%	5.53	5.53
Total		**107.81**	**107.81**

Note: Statement showing contractual principal outstanding of Secured Zero Coupon Bond

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Note 17. Borrowings (other than debt securities)

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	6,655.25	7,676.51
(ii) from National Housing Bank (NHB) (Refer Note (a), (b), (c) and 17.2)	4,791.48	3,085.44
(iii) from Financial Institution (Refer Note (b) and 17.3)	1,321.07	678.89
(b) Securitisation Liability (Refer Note 17.4)	145.28	179.68
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	120.11	0.15
Total	**13,033.19**	**11,620.67**
Borrowings in India*	12,615.20	11,198.53
Borrowings outside India	417.99	422.14
Total	**13,033.19**	**11,620.67**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 20.00 Crores (As at March 31, 2023 ₹ 20.00 Crores) and Refinance Facility from NHB amounting to ₹ 390.32 Crores (As at March 31, 2023 ₹ 564.94 Crores) are also guaranteed by Holding Company i.e. IIFL Finance Limited.

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari passu charge by way of hypothecation on receivables of the Company, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in Favor of certain existing charge holders. Further, borrowings from Financial Institution amounting to ₹ 413.10 Crores (before interest accrued but not due, exchange fluctuation and EIR adjustments) (As at March 31, 2023 Nil) are secured by way of first priority exclusive charge on the identified receivables of the Company.

c. Borrowings from NHB includes ₹ 4,401.16 Crores (As at March 31, 2023 ₹ 2,520.49 Crores) secured by way of first exclusive charge on unencumbered individual housing loan portfolio in Favor of NHB.

* This includes FCNB borrowings amounting to ₹ 1,106.17 Crores (As at March 31, 2023 ₹ 972.39 Crores.).

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	906.87	8.49%-9.30%	1,249.63	7.70% - 9.00%
3- 5 Years	1,695.43	8.49%-9.55%	1,555.15	7.70% - 9.55%
1-3 Years	2,520.42	8.39%-9.55%	2,487.03	7.70% - 9.55%
Less than 1 year	1,532.53	8.39%-9.55%	2,384.70	7.70% - 9.70%
Total	**6,655.25**		**7,676.51**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	1,435.70	2.80% - 8.50%	783.14	2.80% - 7.90%
3- 5 Years	1,227.19	2.80% - 8.50%	723.32	2.80% - 7.90%
1-3 Years	1,415.93	2.80% - 9.00%	1,092.71	2.80% - 8.40%
Less than 1 year	712.66	2.80% - 9.00%	486.27	2.80% - 8.40%
Total	**4,791.48**		**3,085.44**	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	311.12	9.10%	315.70	9.10%
3- 5 Years	235.41	9.10%	166.63	9.10%
1-3 Years	254.19	9.10%	140.08	9.10%
Less than 1 year	102.36	9.10%	56.48	9.10%
Sub-Total - Floating (A)	**903.08**		**678.89**	
Fixed:				
More than 5 years	198.84	5.84%	-	-
3- 5 Years	91.80	5.84%	-	-
1-3 Years	91.80	5.84%	-	-
Less than 1 year	35.55	5.84%	-	-
Sub-Total - Fixed (B)	**417.99**		-	
Total (A+B)	**1,321.07**		**678.89**	

Note 17. 4 - Terms of repayment of other loans

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	120.11	8.80%	0.15	6.35%
Securitisation Liability (B)				
More than 5 years	112.80	8.10% - 9.35%	143.06	7.30% - 8.05%
3- 5 Years	13.22	8.10% - 9.35%	15.22	7.30% - 8.05%
1-3 Years	12.71	8.10% - 9.35%	14.56	7.30% - 8.05%
Less than 1 year	6.55	8.10% - 9.35%	6.84	7.30% - 8.05%
Sub-Total - Securitisation Liability	**145.28**		**179.68**	
Total (A+B)	**265.39**		**179.83**	

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Note 18. Subordinated liabilities

(₹ In Crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Non-convertible debentures - Unsecured	829.22	886.46
Zero Coupon Bonds - Unsecured	208.16	191.85
Total	**1,037.38**	**1,078.31**
Subordinated Liabilities in India	1,037.38	1,078.31
Subordinated Liabilities outside India	-	-
Total	**1,037.38**	**1,078.31**

Non Convertible Debentures - Unsecured includes redeemable non convertible debentures carrying call option of ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores. (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025) (As at March 31, 2023 ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025)).

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Crores)

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Rate of Interest	Amount	Rate of Interest
Non-convertible debentures - Unsecured				
More than 5 years	-	-	708.14	9.60% - 10.02%
3- 5 Years	803.69	8.85% - 10.02%	85.00	8.85% - 9.05%
1-3 Years	-	-	-	-
Less than 1 year	25.53	8.85% - 10.02%	93.32	8.93% - 9.30%
Total Non-convertible debentures - Unsecured	**829.22**		**886.46**	

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Amount	Yield	Amount	Yield
Zero Coupon Bonds - Unsecured				
More than 5 years	-	-	191.85	9.40%
3- 5 Years	208.16	9.40%	-	-
Total Zero Coupon Bonds - Unsecured	**208.16**		**191.85**	

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity As at March 31, 2024, 78% (As at March 31, 2023 92%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2(a) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Coupon	As at March 31, 2024	As at March 31, 2023
8.93% Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U07 Date of maturity - 14/04/2023	8.93%	-	50.00
9.30% Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U05. Date of maturity - 29/05/2023	9.30%	-	15.00
8.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series U06. Date of maturity - 27/07/2027	8.85%	75.00	75.00
9.05% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U08. Date of maturity - 28/02/2028	9.05%	10.00	10.00
9.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U09. Date of maturity - 16/06/2028	9.85%	40.00	40.00
9.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U010. Date of maturity - 13/07/2028	9.85%	30.00	30.00
10% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series I. Date of maturity 03/11/2028	10.00%	232.72	232.72
9.6% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series II. Date of maturity - 03/11/2028	9.60%	382.82	382.82
Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series III. Date of maturity - 03/11/2028	10.02%	40.28	40.28
Total		**810.82**	**875.82**

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 18.2(b) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Yield	As at March 31, 2024	As at March 31, 2023
Zero Coupon G-Sec Linked Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series Ua3. Date of maturity - 11/08/2028	9.40%	126.30	126.30
Total		**126.30**	**126.30**

Note: Statement showing contractual principal outstanding of Subordinated Zero Coupon Bonds.

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Note 19. Other Financial Liabilities

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(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Book overdraft*	952.02	778.84
Unclaimed interest and redemption proceeds of NCDs**	4.61	4.67
Other Payables#	95.56	114.40
Total	**1,052.19**	**897.91**

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.08 Crores. (as at March 31, 2023 ₹ 0.09 Crores.) to the Investor Education and Protection Fund (IEPF). As of March 31, 2024, ₹ 0.00 Crores. (as at March 31, 2023 ₹ 0.00 Crores) was due for transfer to the IEPF.

Primarily includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crores. (as at March 31, 2023 ₹ 0.04 Crores) and liability towards assignment payable.

Note 20. Provisions

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for Employee Benefits		
-Provision for Leave Encashment	10.49	7.21
-Provision for Gratuity (Refer 32.2)	3.80	0.70
-Provision for Bonus	15.75	11.43
Total	**30.04**	**19.34**

Note 21. Other Non Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory remittances	15.26	14.10
Unspent CSR (Refer note no 38A)	6.90	5.20
Advances from borrowers	76.95	245.55
Total	**99.11**	**264.85**

Note 22. Equity Share Capital

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

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2023 - 152,000,000)	152.00	152.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2023 20,000,000)	20.00	20.00
Total	**172.00**	**172.00**
Issued, Subscribed and Paid Up		
Equity Share Capital		
26,344,638 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2023 - 26,344,638)	26.34	26.34
Total	**26.34**	**26.34**

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,63,44,638	26.34	2,09,68,181	20.97
Add: Issued during the year	-	-	53,76,457	5.37
Outstanding at the end of the year	**2,63,44,638**	**26.34**	**2,63,44,638**	**26.34**

During the year ended March 2023, the Company has allotted 5,376,457 equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share

(c) Terms/rights attached to equity shares:

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

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (holding company) and its nominees	2,09,68,181	79.59%	2,09,68,181	79.59%
Platinum Owl C 2018 RSC Limited	53,76,457	20.41%	53,76,457	20.41%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2024	IIFL Finance Limited	2,09,68,181	79.59%	-
As at March 31, 2023	IIFL Finance Limited	2,09,68,181	79.59%	-20.41%

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 500 shares (As at March 31, 2023 500 shares).

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Note 23: Other Equity

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium Reserve		
Opening Balance	2,969.65	799.16
Add: Additions during the year	-	2,194.62
less: Share issue expenses	-	(24.13)
Closing Balance	**2,969.65**	**2,969.65**
General Reserve		
Opening Balance	143.86	143.86
Add: Additions during the year	-	-
Closing Balance	**143.86**	**143.86**
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening Balance	561.07	402.97
Add: Transfer from retained earnings	205.40	158.10
Closing Balance	**766.47**	**561.07**
Retained Earnings - remeasurement of defined benefit		
Opening Balance	(0.86)	(0.50)
Other comprehensive income for the year	(0.62)	(0.36)
Closing Balance	**(1.48)**	**(0.86)**
Retained Earnings - other than remeasurement of defined benefit		
Opening Balance	1,838.48	1,311.64
Add: Profit for the year	1,026.84	790.32
Less: Equity dividend	(144.90)	(105.38)
Less: Transfer to special reserve	(205.40)	(158.10)
Closing Balance	**2,515.02**	**1,838.48**
Share Option Outstanding Account		
Opening Balance	-	-
Add: Addition during the year	19.77	-
Closing Balance	**19.77**	-
Effective portion of Cash Flow Hedges		
Opening Balance	5.57	(7.03)
Add: Other comprehensive income / (loss)	(5.70)	12.60
Closing Balance	**(0.13)**	**5.57**
Fair value of loans carried at FVTOCI		
Opening Balance	9.09	9.65
Add: Other comprehensive income/ (loss)	(1.19)	(0.56)
Closing Balance	**7.90**	**9.09**
Total	**6,421.05**	**5,526.85**

Note 23.1 Nature and purpose of reserve

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956, wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per Companies Act, 2013, the requirement to transfer profits to General Reserve is not mandatory. General reserve is a free reserve available to the Company for distribution.

Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987

As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

Retained Earnings - remeasurement of defined benefit

The Company recognises change on account of remeasurement of the net defined benefit liability / asset as part of retained earnings.

Retained Earnings - other than remeasurement of defined benefit

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Share Option Outstanding Account

The employee stock options reserve represents reserve created in respect of equity settled share options granted to the employees of the Company.

Effective portion of Cash Flow Hedges

The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

Fair value of loans carried at FVTOCI

The amount represents cumulative gains/(losses) arising on account of fair valuation of pools(loans) set aside for sell basis the business model.

Note 24. Interest Income

(₹ in Crores)

Particulars	FY 2023-24 On Financial Assets measured at			
	FVTOCI	Amortised Cost	FVTPL	Total
Interest on Loans	341.87	2,413.82	23.67	2,779.36
Interest income from investments	-	34.58	19.95	54.53
Interest on inter corporate deposits	-	42.18	-	42.18
Interest on deposits with Banks*	-	40.79	-	40.79
Total	**341.87**	**2,531.37**	**43.62**	**2,916.86**

(₹ in Crores)

Particulars	FY 2022-23 On Financial Assets measured at			
	FVTOCI	Amortised Cost	FVTPL	Total
Interest on Loans	232.15	1,946.26	-	2,178.41
Interest income from investments	-	28.02	13.61	41.63
Interest on inter corporate deposits	-	11.34	-	11.34
Interest on deposits with Banks*	-	66.15	-	66.15
Total	**232.15**	**2,051.77**	**13.61**	**2,297.53**

*Includes interest income on security deposits

Note 25. Dividend Income

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Dividend income	-	1.25
Total	-	**1.25**

Note 26. Fees and Commission Income

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Fees & Other Charges*	93.73	85.80
Insurance and distribution commission	94.11	28.67
Total	**187.84**	**114.47**

* Includes fee and charges in the nature of service fee, foreclosure, etc.

Note 27. Net Gain on Fair Value Changes

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Net Gain /(loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	25.76	59.65
- Others	(21.29)	-
Total Net gain on fair value changes	**4.47**	**59.65**
Fair Value changes:		
-Realised	(1.83)	45.92
-Unrealised	6.30	13.73
Total Net gain on fair value changes	**4.47**	**59.65**

Note 28: Net gain/(loss) on derecognition of financial instruments:

Note 28.1 Net gain/(loss) on derecognition of financial instruments under FVTOCI

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Assignment of loans	(1.03)	72.54
Total	**(1.03)**	**72.54**

Note 29. Other Income

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Marketing, advertisement and support service fees	184.42	127.58
Total	**184.42**	**127.58**

Note 30. Finance Costs

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2023-24	FY 2022-23
Interest on borrowings (other than debt securities)	940.12	880.46
Interest on debt securities	258.92	172.18
Interest on subordinated liabilities	97.97	101.19
Other interest expense		
Interest on lease liabilities	3.31	2.24
Other borrowing cost	27.46	26.02
Total	**1,327.78**	**1,182.09**

Statement showing exchange fluctuation on account of foreign currency borrowings:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Revaluation Gain/(Loss) on Foreign currency loan	(48.52)	(35.33)
Recognised in Other Comprehensive Income	48.52	32.76
Recognised in Statement of Profit and Loss	-	(2.57)

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Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Crores)

Particulars	FY 2023-24 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	(7.84)	(115.21)	(123.05)
Receivables	-	(6.43)	(6.43)
Investments	-	1.00	1.00
Bad debts written off (Net of recovery)	-	245.12	245.12
Total	**(7.84)**	**124.48**	**116.64**

(₹ in Crores)

Particulars	FY 2022-23 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	(2.00)	(8.00)	(10.00)
Receivables		6.40	6.40
Bad debts written off (Net of recovery)	-	141.65	141.65
Total	**(2.00)**	**140.05**	**138.05**

Note 32. Employee Benefits Expenses

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Salaries and wages	293.12	221.21
Contribution to provident and other funds (Refer Note 32.1)	11.98	9.21
Leave Encashment	4.72	2.86
Gratuity (Refer Note 32.2)	2.23	1.86
Staff welfare expenses#	8.21	5.07
Share Based Payments to employees (Refer Note 32.3)	19.77	-
Total	**340.03**	**240.21**

#The Group companies i.e. IIFL Finance Limited and IIFL Securities Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 1.33 Crores. (for FY 2022-23 ₹ 0.49 Crores), on account of such costs and the same is forming part of Employee benefit expenses.

Note: The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the code becomes effective and related rules are published.

32.1 Defined Contribution Plans:

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

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Contribution to Provident fund	5.96	4.70
Contribution to ESIC	0.55	0.42
Contribution to Labour Welfare Fund	0.06	0.04
Company contribution to EPS	5.02	3.73
Company contribution to NPS	0.39	0.32
Total	**11.98**	**9.21**

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

Assumptions (Current Year)

Particulars	FY 2023-24	FY 2022-23
Expected Return on Plan Assets	7.20%	7.46%
Rate of Discounting	7.20%	7.46%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality 2012-14 (Ultimate)
Retirement Age for employees (in years)	60	60

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	11.31	9.39
Interest Cost	0.84	0.66
Current Service Cost	2.18	1.86
Liability Transferred In/ Acquisitions	0.04	0.07
Liability Transferred Out/ Divestment	(0.00)	(0.05)
Benefit Paid From the Fund	(1.33)	(0.81)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.57	(0.90)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.48	1.09
Present Value of Benefit Obligation at the End of the Year	**14.09**	**11.31**

Table Showing Change in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Fair Value of Plan Assets at the Beginning of the Year	10.61	9.50
Interest Income	0.79	0.66
Contributions by the Employer	-	1.55
Benefit Paid from the Fund	(1.33)	(0.81)
Return on Plan Assets, Excluding Interest Income	0.22	(0.29)
Fair Value of Plan Assets at the End of the Year	**10.29**	**10.61**

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Amount Recognised in the Balance Sheet

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Benefit Obligation at the end of the Year	(14.09)	11.31
Fair Value of Plan Assets at the end of the Year	10.29	10.61
Funded Status Surplus/ (Deficit)	(3.80)	(0.70)
Net (Liability)/Asset Recognised in the Balance Sheet	**(3.80)**	**(0.70)**

Net Interest Cost

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	11.31	9.39
Fair Value of Plan Assets at the Beginning of the Year	(10.61)	(9.49)
Net Liability/(Asset) at the Beginning of the Year	**0.70**	**(0.10)**
Interest Cost	0.84	0.66
Interest Income	(0.79)	(0.66)
Net Interest Cost	**0.05**	**(0.00)**

Expenses Recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Current Service Cost	2.18	1.86
Net Interest Cost	0.05	(0.00)
Expenses Recognised	**2.23**	**1.86**

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Actuarial (Gains)/Losses on Obligation For the Year	1.05	0.19
Return on Plan Assets, Excluding Interest Income	(0.22)	0.29
Net (Income)/Expense For the Year Recognised in OCI	**0.83**	**0.48**

Balance Sheet Reconciliation

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Net Liability	0.70	(0.10)
Expenses Recognised in Statement of Profit and Loss	2.23	1.86
Expenses Recognised in OCI	0.83	0.48
Net Liability/(Asset) Transfer In	0.04	0.07
Net (Liability)/Asset Transfer Out*	(0.00)	(0.06)
Employer's Contribution	-	(1.55)
Net Liability/(Asset) Recognised in the Balance Sheet	**3.80**	**0.70**

*0.00 denotes amount less than ₹ Fifty thousands

Category of Assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Insurance policy	10.29	10.61
Total	**10.29**	**10.61**

Other Details

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Prescribed Contribution For Next Year (12 Months)	6.75	2.87

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.68	0.60
2nd Following Year	0.15	0.13
3rd Following Year	0.19	0.14
4th Following Year	0.19	0.17
5th Following Year	0.21	0.17
Sum of Years 6 To 10	1.91	1.39
Sum of Years 11 and above	50.02	42.07

Sensitivity Analysis

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected Benefit Obligation on Current Assumptions	14.09	11.31
Delta Effect of +1% Change in Rate of Discounting	(2.10)	(1.66)
Delta Effect of -1% Change in Rate of Discounting	2.37	1.91
Delta Effect of +1% Change in Rate of Salary Increase	1.85	1.43
Delta Effect of -1% Change in Rate of Salary Increase	(1.61)	(1.26)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.17)	(0.09)
Delta Effect of -1% Change in Rate of Employee Turnover	0.19	0.10

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Note 32.3. Employee Stock Option

The Company has IIFL IIFL ESOP PLAN-2022, under which options have been granted to eligible employees to be vested from time to time. The plan is established as per the approval granted by the shareholders by a special resolution on August 4, 2022. The Plan is amended vide Board resolution dated June 17, 2023 and approved by shareholders vide resolution dated June 29, 2023.

ESOP will vest to eligible employees as per vesting schedule and vesting ratio. All options will vest with minimum vesting period of 1year and maximum vesting period of 4 years having Graded vesting @ 25%p.a.(vesting ratio of 25:25:25:25). As per ESOP Plan, the Vested Options can be exercised by the Option Grantees only in connection with or upon the happening of a Liquidity Event and within such period as prescribed by the Board in this regard.
The Nomination and Remuneration Committee may at any time proceed to settle any or all the unexercised Vested Options held by the Option Grantees, either continuing or separated, by way of cash payment

Particulars	FY 2023-24	FY 2022-23
Grant Date	01-10-2023	N.A
Option Price Model	Black Scholes Method	N.A
Exercise Price	1,338.00	N.A
Share Price on Grant Date	4,513.38	N.A
Expected Volatility	50%	N.A
Expected life of options (Years)	4	N.A
Risk-free rate of return	7.37%	N.A
Dividend Yield	0.86%	N.A
Fair Value of ESOP at Grant Date	3,423.18	N.A
Weighted Average remaining contractual life of the option (Years)	3.50	N.A

Fair Value Methodology:
The fair value of the employee share options has been measured using Black-Scholes Option pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year.

Table Showing options movement during year:

Particulars	FY 2023-24	FY 2022-23
Outstanding at the beginning of the year	-	N.A
Granted during the year	2,42,563	N.A
Forfeited during the year	3,935	N.A
Expired during the year	-	N.A
Exercised during the year	-	N.A
Outstanding at the end of the year	2,38,628	N.A
Exercisable at the end of the year	-	N.A

Weighted-average exercise prices of options granted during the year is ₹ 1338 /- option.

Weighted average share price at the date of exercise date : N.A. as no ESOP exercise in year

Table showing reconciliation of Share Options Outstanding Account:

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Opening ESOP Outstanding Reserve Balance	-	N.A.
Expense Recognised/ (Reversed) during the year	19.77	N.A.
Closing ESOP Outstanding Reserve Balance	**19.77**	**N.A.**

Note: The Company has granted options in equal parts in two tranches (i) 50% on October 01, 2023 (time based); and (ii) 50% on April 01, 2024 (performance based) and will vest as specified in the Grant letter.

Note: The company has granted 1,55,129 no. of ESOPs to KMPs during the year.

Note 33. Other Expenses

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement	12.71	7.24
Valuation & verification expenses	3.61	1.40
Marketing expenses	21.42	5.70
Bank charges	2.59	2.20
Communication	1.41	1.29
Electricity	2.46	2.21
Rating and custodian fees	2.20	1.32
Legal & professional fees	38.14	27.03
Commission & sitting fees	0.78	0.70
Miscellaneous expenses	0.66	0.43
Office expenses	10.79	12.86
Postage & courier	1.77	1.70
Printing & stationary	1.29	1.50
Rates & taxes	0.03	0.02
Rent	10.81	7.38
Repairs & maintenance	1.04	1.01
Payments to auditors*	1.83	0.81
Software charges	19.14	10.42
Security expenses	2.25	1.52
Travelling & conveyance	12.92	9.08
Corporate Social Responsibility (CSR) Expenses (Refer note 38A)	17.40	13.10
Loss on sale of assets	0.04	0.94
Total	**165.29**	**109.86**

*Payments to auditors

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Audit Fees	0.65	0.32
Limited Reviews	0.71	0.15
Other matters and certification	0.25	0.27
Out of Pocket Expenses	0.22	0.07
Total	**1.83**	**0.81**

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Note 34. Income taxes

34.1 Amounts recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Current tax expense		
Current year	272.55	227.05
Tax of earlier years	(0.08)	(0.77)
Deferred tax expense		
Origination and reversal of temporary differences	28.90	6.29
Total	**301.37**	**232.57**

34.2 Amounts recognised in other comprehensive income

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Items that will not be reclassified to profit or loss		
Remeasurement gain/ (loss) of defined benefit liabilities/(assets)	0.21	0.12
Items that will be reclassified to profit or loss		
Net movement on effective portion of cash flow hedge	1.91	(4.24)
Fair value of loans carried at fair value through other comprehensive income	0.40	0.19
Total	**2.52**	**(3.93)**

34.3 Reconciliation of total tax expense

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	**1,328.21**	**1,022.89**
Tax using the domestic tax rate (25.168%)	334.28	257.44
Tax effect of:		
Non-deductible expenses	5.11	3.37
Tax-exempt income (includes deduction u/s 80JJAA)	(38.78)	(26.13)
Tax on Dividend	-	(0.31)
Income taxed at different rates	(1.02)	-
Adjustments for current tax for prior periods	(0.08)	(0.77)
Losses for which no deferred tax asset is recognised	-	(1.34)
De-Recognition of previously recognised deductible temporary differences	1.86	0.31
Total income tax expense	**301.37**	**232.57**

34.4 The Company has elected to exercise the option permitted under section 115BAA of the income-tax act, 1961, as introduced by the taxation laws (amendment) ordinance, 2019.

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Note 35. Earnings Per Share:

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

(₹ in Crores except per share data)

Particulars		FY 2023-24	FY 2022-23
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	1,026.84	790.32
Weighted Average Number of Equity Shares Outstanding	B	2,63,44,638	2,42,38,245
Basic EPS (In ₹)	**A/B**	**389.77**	**326.06**
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS		2,63,44,638	2,42,38,245
Add: Potential equity shares on account conversion of Employees Stock Options		83,933	-
Weighted average number of equity shares for computation of diluted EPS	C	2,64,28,571	-
Diluted EPS (In ₹)	**A/C**	**388.53**	**326.06**

The basic earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares for the respective periods; whereas the diluted earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options.

Note 36. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 3,262.11 Crores. (As at March 31, 2023 ₹ 2,098.41 Crores.);
(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 0.54 Crores (As at March 31, 2023 ₹ 1.54 Crores).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.15 Crores (As at March 31, 2023 ₹ 0.19 Crores);
(ii) Contingent liability on account of Income Tax Dispute is ₹ 7.28 Crores (As at March 31, 2023 ₹ 7.28 Crores) - The Company has filed appeal against the said demand;
(iii) Contingent liability on account of GST Dispute is ₹ 0.76 Crores (As at March 31, 2023 ₹ 0.19 Crores) -The Company has filed appeal against the said demand and has deposited 0.04 Crores (As at March 31, 2023 Nil) under protest;
(iv) Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 79.91 Crores and ₹ 23.34 Crores respectively (As at March 31, 2023 ₹ 79.95 Crores and ₹ 23.34 Crores).

Note 37. Disclosure as per Ind AS -108 "Operating Segments"

The Company's main business is financing by way of loans for the purchase or construction of residential houses, loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

Note 38A. Corporate Social Responsibility

The Company was required to spend ₹ 17.40 Crores. (for FY 2022-23 ₹ 13.10 Crores.) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ In Crores)

Particulars	FY 2023-2024		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	11.77	5.63	**17.40**
(b) Shortfall at the end of the year*	-	5.63	**5.63**
(c) Total of previous years shortfall	3.93	1.27	**5.20**
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	15.70	5.63	**22.60**

Reason for Shortfall: During the year, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2024 resulting in shortfall. The unspent amount has been transferred to a separate Bank account on April 26, 2024, which will be spent during the FY 2024-25.

(₹ In Crores)

Particulars	FY 2022-2023		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	7.90	5.20	13.10
(b) Shortfall at the end of the year**	-	5.20	5.20
(c) Total of previous years shortfall	3.03	-	3.03
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	10.93	5.20	16.13

Reason for Shortfall: During the FY 2021-22, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 08, 2022 and was spent during the FY 2022-23.

38A.1 Details of related party transactions in relation to CSR expenditure as per Ind AS 24, related party disclosures (refer note 41A)
38A.2 The Company has undertaken CSR activities as per schedule VII of the Companies Act, 2013

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Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. Details of Benami Property held: There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. Additional information where borrowings are from banks or financial institutions:

(i) The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 2023, September 2023 and December 2023 are in agreement with the books of accounts. Further for quarter ended March 2024 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. Wilful Defaulter: The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. Relationship with Struck off Companies : During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except with the parties disclosed below:

(₹ in Crores)

Name of the struck off company	Balance outstanding as at		Relationship with Struck off company
	March 31, 2024	March 31, 2023	
Loans and Advances:			
Jasmin Infraproject Company Private Limited	0.47	0.49	None
Creative Pulse Marketing Private Limited	-	0.12	None
Beauty Channel Salon & Spa Private Limited	1.42	1.45	None
Iconic Products India Pvt Ltd.	2.76	-	None
Vendor:			
Epicenter Technologies Pvt Ltd*	0.00	-	None

*0.00 denotes amount less than ₹ Fifty thousands

Note: The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

Particulars	March 31, 2024	March 31, 2023
Capital to risk-weighted assets ratio (CRAR) (%)	42.84	47.28
Tier I CRAR (%)	37.62	39.24
Tier II CRAR (%)	5.22	8.04
Liquidity Coverage Ratio (%)	150.32	277.26

Note: LCR computation is based on Management estimation of future inflows and outflows and is relied upon by the auditors.

h. Compliance with approved Scheme(s) of Arrangements: The Company has not entered into Scheme of Arrangement in terms of section 230 to 237 of the Company Act, 2013

i. (i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Company does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are NIL previously unrecorded income and related assets.

k. Details of Crypto Currency or Virtual Currency: The Company has not traded or invested in Crypto currency or Virtual Currency.

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Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Financial Risk Management Structure

The Company has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Company being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

The Company has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Company.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

39 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Company monitors its portfolio, based on product, underlying security and credit risk characteristics.

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39 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Company has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardize credit underwriting & improve sourcing quality in the long run.

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

The Company categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due and other cases basis regulatory guidelines] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.
Additionally, the Company evaluates risk based on staging which are as follows:

(₹ in Crores)

Risk Categorisation	As at March 31, 2024	As at March 31, 2023
Stage 1	21,991.78	16,754.93
Stage 2	1,178.78	1,087.31
Stage 3	340.92	386.10
Total	**23,511.48**	**18,228.34**

Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies, Trade Receivables, Investments and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

39 A.1(II) Credit quality analysis

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

(₹ in Crores)

As at March 31, 2024					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Loans at FVTOCI	3,827.04	1.28	-	-	**3,828.32**
Loans at amortised cost	18,164.74	1,177.50	340.92	-	**19,683.16**

(₹ in Crores)

As at March 31, 2023					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Loans at FVTOCI	2,854.50	-	-	-	**2,854.50**
Loans at amortised cost	13,900.43	1,087.31	386.10	-	**15,373.84**

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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening EAD March 31, 2023	**16,623.25**	**2,202.02**	**1,044.74**	**70.65**	**387.46**	**(1.37)**	**18,055.45**	**2,271.30**
New Loans Disbursed during the year	11,746.48	2,364.08	91.57	9.01	9.85	(0.08)	**11,847.90**	**2,373.01**
Loan Derecognised	(3,987.93)	(403.08)	(153.52)	(4.59)	(114.86)	0.06	**(4,256.31)**	**(407.61)**
Loans written off	(177.34)	(7.35)	(22.21)	(6.97)	(78.49)	0.48	**(278.04)**	**(13.83)**
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(778.18)	(64.91)	637.48	53.12	140.70	11.80	**0.00**	-
From Stage 2	336.22	23.08	(427.46)	(32.09)	91.24	9.00	**0.00**	-
From Stage 3	50.96	(0.21)	17.09	(0.04)	(68.05)	0.26	**(0.00)**	-
Loans Repaid in part or full	(2,002.74)	(743.81)	(59.01)	(0.55)	(24.96)	(22.14)	**(2,086.71)**	**(766.50)**
Closing EAD March 31, 2024	**21,810.71**	**3,369.81**	**1,128.67**	**88.54**	**342.90**	**(1.99)**	**23,282.28**	**3,456.36**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 3,227.17 Crores (As at March 31, 2023 ₹ 2,098.41 Crores)

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening EAD March 31, 2022	**14,412.66**	**1,723.46**	**927.58**	**67.12**	**328.55**	**(0.33)**	**15,668.80**	**1,790.25**
New Loans Disbursed during the year	9,264.64	1,443.89	73.38	6.16	9.18	(0.11)	**9,347.20**	**1,449.95**
Loan Derecognised	(3,686.33)	(213.43)	(96.62)	(4.64)	(52.19)	0.04	**(3,835.14)**	**(218.03)**
Write offs	(19.92)	(7.20)	(24.36)	(7.26)	(126.05)	0.21	**(170.34)**	**(14.25)**
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(391.47)	(25.64)	357.91	25.58	33.56	0.06	**(0.00)**	**(0.00)**
From Stage 2	662.32	41.18	(678.45)	(41.19)	16.13	0.01	**(0.00)**	**(0.00)**
From Stage 3	181.49	12.09	108.42	8.89	(289.91)	(20.98)	-	-
Loans Repaid in part or full	(3,800.14)	(772.33)	376.89	15.99	468.18	19.72	**(2,955.07)**	**(736.62)**
Closing EAD March 31, 2023	**16,623.25**	**2,202.02**	**1,044.74**	**70.65**	**387.46**	**(1.37)**	**18,055.45**	**2,271.30**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,098.41 Crores (As at March 31, 2022 ₹ 1,652.76 Crores)

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Loss Allowances

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening ECL March 31, 2023	**245.27**	**20.53**	**112.79**	**7.26**	**108.19**	**(0.01)**	**466.26**	**27.79**
New Loans Disbursed during the year	40.48	9.69	11.19	2.81	2.73	-	54.41	12.49
Loan Derecognised	(43.59)	(3.37)	(11.23)	(0.73)	(5.45)	(0.00)	(60.26)	(4.10)
Loans written off	(33.25)	(0.63)	(12.83)	(0.72)	(51.40)	-	(97.47)	(1.35)
Movement in Stages								
From Stage 1	(16.52)	(0.75)	13.20	0.60	3.32	0.15	-	-
From Stage 2	30.24	1.83	(40.25)	(3.01)	10.01	1.18	-	(0.00)
From Stage 3	13.33	-	4.38	-	(17.71)	-	-	-
Loans Repaid in part or full	(125.53)	(10.65)	39.15	14.02	57.58	(1.30)	(28.80)	2.07
Closing ECL March 31, 2024	**110.44**	**16.65**	**116.40**	**20.22**	**107.27**	**0.01**	**334.13**	**36.90**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 13.89 Crores (As at March 31, 2023 ₹ 18.88 Crores).

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*	Principal Outstanding	Unfunded exposure/ Interest Accrued*
Opening ECL March 31, 2022	**233.68**	**9.52**	**132.26**	**7.31**	**123.50**	-	**489.44**	**16.83**
New Loans Disbursed during the year	87.06	12.52	3.18	0.32	2.21	-	92.45	12.84
Loan Derecognised	(38.91)	(1.06)	(9.25)	(0.38)	(12.46)	0.00	(60.61)	(1.44)
Loans written off	(4.83)	(0.04)	(7.20)	(1.06)	(54.59)		(66.61)	(1.09)
Movement in Stages								
From Stage 1	(70.31)	(2.37)	57.65	2.37	12.66	-	-	-
From Stage 2	24.28	0.40	(30.38)	(0.40)	6.10	-	-	(0.00)
From Stage 3	9.84	0.07	14.56	0.87	(24.41)	(0.95)	-	-
Loans Repaid in part or full	4.45	1.48	(48.04)	(1.77)	55.18	0.94	11.58	0.65
Closing ECL March 31, 2023	**245.27**	**20.53**	**112.79**	**7.26**	**108.19**	**(0.01)**	**466.26**	**27.79**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 18.88 Crores (As at March 31, 2022 ₹ 7.67 Crores).

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39 A.1(III) Concentration of credit risk

Concentrations arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

The Company's Loan outstanding from Borrowers residing across 5 various states of India is 57% (As at March 31, 2023 62%).

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Write off (net of recoveries)	245.12	141.65

39 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Amortised Cost of Modified Assets at the time of modification during the year	-	-
Modification (Gain)/Loss for modification during the year	-	-

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of Modified financial assets	311.04	614.61

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification "Resolution Framework for COVID-19-related Stress".

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39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Company has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2024	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	**73.73**	73.73	-	-	-	-	-
Finance Lease Obligation*	**51.62**	3.44	3.40	6.77	16.86	10.09	11.06
Debt Securities	**3,613.04**	156.24	47.97	566.96	945.16	963.02	933.69
Borrowings (Other than Debt Securities)	**13,033.19**	569.24	666.31	1,274.21	4,295.05	3,263.05	2,965.32
Subordinated Liabilities	**1,037.38**	3.28	22.16	0.08	-	1,011.86	-
Other financial liabilities	**1,052.19**	1,052.19	-	-	-	-	-

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	**50.95**	50.95	-	-	-	-	-
Finance Lease Obligation*	**37.58**	2.16	2.14	4.25	13.94	7.76	7.33
Debt Securities	**2,254.22**	17.98	8.65	16.22	669.76	219.97	1,321.64
Borrowings (Other than Debt Securities)	**11,620.67**	656.89	1,011.93	1,265.63	3,734.38	2,460.32	2,491.52
Subordinated Liabilities	**1,078.31**	68.10	25.13	0.08	-	85.00	900.00
Other financial liabilities	**897.91**	897.91	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

(ii) Change in liabilities arising from financing activities

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt Securities (Including subordinated libilities)	3,332.53	1,248.10	69.79	4,650.42
Borrowings (Other than Debt Securities)	11,620.67	1,456.20	(43.68)	13,033.19
Total Liabilities from Financial Activities	**14,953.20**	**2,704.30**	**26.11**	**17,683.61**

(₹ in Crores)

Particulars	As at March 31, 2022	Cash flows	Others*	As at March 31, 2023
Debt Securities (Including subordinated libilities)	3,275.67	65.97	(9.11)	3,332.53
Borrowings (Other than Debt Securities)	10,944.93	648.65	27.09	11,620.67
Total Liabilities from Financial Activities	**14,220.60**	**714.62**	**17.98**	**14,953.20**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, exchange differences and conversation factor of derivative instruments.

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39 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

39 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Company's Net Interest Income.

Total Borrowings of the Company are as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowings	7,823.71	8,535.24
Fixed rate borrowings	9,859.90	6,417.97
Total borrowings	**17,683.61**	**14,953.21**

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As at the end of the reporting year, the Company had the following floating rate borrowings:

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	9.01%	7,823.71	44.24%	8.72%	8,535.24	57.08%
Non Convertible Debentures	-	-	-	-	-	-
Net exposure to cash flow interest rate risk		**7,823.71**	**44.24%**		**8,535.24**	**57.08%**

An analysis by maturities is provided in note 39 A 2(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

As at the end of the reporting year, the Company had the following cross currency interest rate swap contracts/ forward contracts outstanding:

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps and Forward Contracts	7.74%	1,523.99	8.62%	8.97%	1,394.53	9.33%

The Company had following floating rate loans and advances outstanding:

(₹ in Crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	12.65%	23,511.48	100.00%	12.93%	18,228.34	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan(not more than 3 years), all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Crores)

Particulars	Impact on profit after tax and equity		Impact on other components of equity	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Interest rates – increase by 30 basis points (30 bps) *	(17.56)	(19.16)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	17.56	19.16	-	-

* Holding all other variables constant

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Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Crores)

Particulars	Impact on profit after tax and equity	
	FY 2023-24	FY 2022-23
Interest rates - increase by 30 basis points (30 bps) *	52.78	40.92
Interest rates - decrease by 30 basis points (30 bps) *	(52.78)	(40.92)

* Holding all other variables constant

39 A.3(II) Exposure to currency risks
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps and forwards contracts are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Company's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Company's operating units

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2024	1,523.99	18.16
Borrowing as on March 31, 2023	1,394.53	16.79

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee. The Company's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk
Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

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39.B Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2024	As at March 31, 2023
Total Debt (₹ in Crores)	17,683.62	14,953.20
Total Equity (₹ in Crores)	6,447.40	5,553.20
Total Debt to Equity Ratio (times)	2.74	2.69

Total Debt inlcudes debt securities, borrowings (Other than Debt Securities) and subordinated liabilities.
Total Equity includes equity share capital and other equity.

39.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments:

(₹ in Crores)

Particulars	As at March 31, 2024		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	771.15
Bank Balance other than cash and cash equivalents	-	-	299.23
Receivables			
(i) Trade Receivables	-	-	47.94
Loans	-	3,810.85	19,329.63
Investments	401.60	-	180.48
Other Financial assets	-	-	486.44
Total financial assets	**401.60**	**3,810.85**	**21,114.87**
Financial liabilities			
Derivative financial instruments	-	2.61	-
Trade Payables	-	-	73.73
Lease liabilities	-	-	40.77
Debt Securities	-	-	3,613.04
Borrowings (Other than Debt Securities)	-	-	13,033.19
Subordinated Liabilities	-	-	1,037.38
Other financial liabilities	-	-	1,052.19
Total financial liabilities	-	**2.61**	**18,850.30**

(₹ in Crores)

Particulars	As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	1,628.26
Bank Balance other than cash and cash equivalents	-	-	359.29
Derivative financial instruments	(2.03)	44.02	
Receivables			
(i) Trade Receivables	-	-	40.59
Loans	-	2,829.19	14,905.10
Investments	371.57	-	1,055.62
Other Financial assets	-	-	452.36
Total financial assets	**369.54**	**2,873.21**	**18,441.22**
Financial liabilities			
Trade Payables	-	-	50.95
Lease liabilities	-	-	29.72
Debt Securities	-	-	2,254.22
Borrowings (Other than Debt Securities)	-	-	11,620.67
Subordinated Liabilities	-	-	1,078.31
Other financial liabilities	-	-	897.91
Total financial liabilities	-	-	**15,931.78**

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

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

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

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Loans at FVTOCI	-	-	3,810.85	3,810.85
Investments				
(i) Debt Securities, Security Receipts and G-Sec	401.60	-	-	401.60
Total financial assets	**401.60**	-	**3,810.85**	**4,212.45**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	2.61	-	2.61
Total financial liabilities	-	**2.61**	-	**2.61**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Loans at FVTOCI	-	-	2,829.19	2,829.19
Investments				
(i) Alternate Investment Fund and Debt Securities	371.57	-	-	371.57
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		41.99		41.99
Total financial assets	**371.57**	**41.99**	**2,829.19**	**3,242.75**

Valuation technique used to determine fair value

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

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2024	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	19,327.76	19,329.63	Level 3
Investments			
(i) In other securities*	181.58	180.48	Level 1 /Level 3
Total financial assets	**19,509.34**	**19,510.11**	
Financial Liabilities			
Debt Securities	3,479.24	3,613.04	Level 3
Subordinated Liabilities	1,029.13	1,037.38	Level 3
Total financial liabilities	**4,508.37**	**4,650.42**	

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	14,911.08	14,905.10	Level 3
Investments			
(i) In other securities*	1,058.02	1,055.62	Level 1 /Level 3
Total financial assets	**15,969.10**	**15,960.72**	
Financial Liabilities			
Debt Securities	2,169.44	2,254.22	Level 3
Subordinated Liabilities	1,006.65	1,078.31	Level 3
Total financial liabilities	**3,176.09**	**3,332.53**	

*Refer note no 8 for Investments measured at Amoritsed Cost. These are measured at Level 3

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With respect to Bank Balances and Cash and Cash Equivalents, Trade Receivables , Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and liabilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, lease liabilities, other financial assets & liabilities.

39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing net amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Crores)

Particulars	Loans - FVTOCI	
	As at March 31, 2024	As at March 31, 2023
Opening Balance	2,829.19	2,885.40
Loans derecognised during the year	(2,485.19)	(2,274.81)
Loans originated (net)	3,466.85	2,218.60
Closing Balance	**3,810.85**	**2,829.19**

40.1 Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold loans and advances as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets and the gain/(loss) on derecognition:

(₹ in Crores)

Loans and advances	FY 2023-24	FY 2022-23
Carrying amount of derecognised financial assets	2,485.19	2,274.81
Gain from derecognition for the year	177.77	149.85

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets (₹ in Crores)

Loans and advances	As at March 31, 2024	As at March 31, 2023
Carrying amount of continuing involvement in derecognised financial assets	896.94	847.68

40.2 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Crores)

Securitisations	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortised cost	144.99	179.55
Carrying amount of associated liabilities	145.28	179.68
Fair value of assets	144.99	179.55
Fair value of associated liabilities	145.28	179.68

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41. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the year ended March 31, 2024

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director (ceased w.e.f. August 08, 2023)
	Ms. Mohua Mukherjee - Independent Director
	Mr. Mathew Joseph - Independent Director (w.e.f. October 31, 2023)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Gaurav Seth - Chief Financial Officer (w.e.f. October 17, 2023)
	Mr. Amit Gupta - Chief Financial Officer (upto October 17, 2023)
	Mr. Ajay Jaiswal - Company Secretary

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

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41.A Significant transactions with related parties:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	21.11	-	-	-	-	21.11
	(1.07)	(-)	(-)	(-)	(-)	(1.07)
IIFL Securities Limited	-	-	-	8.81	-	8.81
	(-)	(-)	(-)	(0.15)	(-)	(0.15)
IIHFL Sales Limited	-	-	-	-	-	-
	(-)	(0.19)	(-)	(-)	(-)	(0.19)
5paisa Capital Limited	-	-	-	6.75	-	6.75
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	5.51	-	-	5.51
	(-)	(-)	(9.94)	(-)	(-)	(9.94)
Interest Expense						
IIFL Securities Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.66)	(-)	(0.66)
360 One WAM Limited	-	-	-	0.11	-	0.11
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Management Services Limited	-	-	-	0.16	-	0.16
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
Corporate Social Responsibility Expense (CSR)						
India Infoline Foundation	-	-	-	16.46	-	16.46
	(-)	(-)	(-)	(8.52)	(-)	(8.52)
CSR Unspent amount refund received						
India Infoline Foundation	-	-	-	3.54	-	3.54
	(-)	(-)	(-)	(-)	(-)	(-)
Arranger fees Expense / Loan Sourcing Fee						
IIFL Securities Limited	-	-	-	0.84	-	0.84
	(-)	(-)	(-)	(0.40)	(-)	(0.40)
IIHFL Sales Limited	-	22.74	-	-	-	22.74
	(-)	(15.65)	(-)	(-)	(-)	(15.65)
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	0.07	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
Brokerage Expense Reversal						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.98)	(-)	(0.98)
Rent Expense						
IIFL Facilities Services Limited	-	-	-	3.53	-	3.53
	(-)	(-)	(-)	(1.70)	(-)	(1.70)
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remunerations	-	-	-	-	6.39	6.39
	(-)	(-)	(-)	(-)	(4.64)	(4.64)
Mr. Monu Ratra - Short Term Benefit (perquisites)	-	-	-	-	11.11	11.11
	(-)	(-)	(-)	(-)	(3.40)	(3.40)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Mr. Gaurav Seth - Remunerations	-	-	-	-	1.39	1.39
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav Seth - Short Term Benefit (perquisites)	-	-	-	-	1.11	1.11
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Gaurav Seth - Post Employment Benefit	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Amit Gupta - Remunerations	-	-	-	-	0.47	0.47
	(-)	(-)	(-)	(-)	(0.79)	(0.79)
Mr. Amit Gupta - Short Term Benefit (perquisites)	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(0.26)	(0.26)
Mr. Amit Gupta - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	1.01	1.01
	(-)	(-)	(-)	(-)	(0.88)	(0.88)
Mr. Ajay Jaiswal - Short Term Benefit (perquisites)	-	-	-	-	0.57	0.57
	(-)	(-)	(-)	(-)	(0.63)	(0.63)
Mr. Ajay Jaiswal - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.01)	(0.01)
Short Term Benefits - Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(0.09)	(0.09)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.11)	(0.11)
Mr. AK Purwar	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Mathew Joseph	-	-	-	-	0.02	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.05	0.05
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Ms. Mohua Mukherjee	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.06)	(0.06)

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41.A Significant transactions with related parties:

(₹ In Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	0.13	0.13
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.24	0.24
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Mr. Mathew Joseph	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Venkataramanan	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Mohua Mukherjee	-	-	-	-	0.20	0.20
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Interim Dividend Payment						
IIFL Finance Limited	115.32	-	-	-	-	115.32
	(83.87)	(-)	(-)	(-)	(-)	(83.87)
Interim Dividend Received						
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(1.25)	(-)	(-)	(1.25)
ICD/Loan Given						
IIFL Finance Limited	1,450.00	-	-	-	-	1,450.00
	(300.00)	(-)	(-)	(-)	(-)	(300.00)
IIFL Securities Limited	-	-	-	1,025.00	-	1,025.00
	(-)	(-)	(-)	(370.00)	(-)	(370.00)
IIHFL Sales Limited	-	-	-	-	-	-
	(-)	(8.00)	(-)	(-)	(-)	(8.00)
5paisa Capital Limited	-	-	-	430.00	-	430.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	400.00	-	-	400.00
	(-)	(-)	(775.00)	(-)	(-)	(775.00)
ICD/Loan received back						
IIFL Finance Limited	1,450.00	-	-	-	-	1,450.00
	(300.00)	(-)	(-)	(-)	(-)	(300.00)
IIFL Securities Limited	-	-	-	1,025.00	-	1,025.00
	(-)	(-)	(-)	(370.00)	(-)	(370.00)
IIHFL Sales Limited	-	-	-	-	-	-
	(-)	(8.00)	(-)	(-)	(-)	(8.00)
5paisa Capital Limited	-	-	-	430.00	-	430.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	400.00	-	-	400.00
	(-)	(-)	(775.00)	(-)	(-)	(775.00)
Purchase of Investment						
IIFL Finance Limited	63.84	-	-	-	-	63.84
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Investment - Equity Share						
IIFL Finance Limited	2.38	-	-	-	-	2.38
	(259.08)	(-)	(-)	(-)	(-)	(259.08)
Security Deposit Paid						
IIFL Facilities Services Limited	-	-	-	0.98	-	0.98
	(-)	(-)	(-)	(0.51)	(-)	(0.51)
Net Interest Accrued						
IIFL Securities Limited (Formerly India Infoline Limited)	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
360 One Prime Limited	-	-	-	0.07	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
Commission on Corporate Guarantee						
IIFL Finance Limited	4.93	-	-	-	-	4.93
	(-)	(-)	(-)	(-)	(-)	(-)
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	3.18	-	3.18
	(-)	(-)	(-)	(3.21)	(-)	(3.21)
IIFL Management Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.08)	(-)	(0.08)
IIFL Finance Limited	5.31	-	-	-	-	5.31
	(6.58)	(-)	(-)	(-)	(-)	(6.58)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
IIHFL Sales Limited	-	8.58	-	-	-	8.58
	(-)	(2.56)	(-)	(-)	(-)	(2.56)
IIFL Facilities Services Limited	-	-	-	1.16	-	1.16
	(-)	(-)	(-)	(1.06)	(-)	(1.06)
Reimbursement paid						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(-)	(0.04)
IIFL Finance Limited	0.14	-	-	-	-	0.14
	(0.07)	-	-	-	-	(0.07)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(0.01)	(-)	(-)	(-)	(0.01)

IIFL HOME FINANCE LIMITED
Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2024

41.A Significant transactions with related parties:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ESOP						
IIFL Securities Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	1.33	-	-	-	-	1.33
	(0.49)	(-)	(-)	(-)	(-)	(0.49)
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.03	-	0.03
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Securities Limited	-	-	-	0.49	-	0.49
	(-)	(-)	(-)	(0.66)	(-)	(0.66)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.15	-	0.15
	(-)	(-)	(-)	(0.10)	(-)	(0.10)
IIFL Finance Limited	1.17	-	-	-	-	1.17
	(1.62)	(-)	(-)	(-)	(-)	(1.62)
IIHFL Sales Limited	-	0.11	-	-	-	0.11
	(-)	(0.30)	(-)	(-)	(-)	(0.30)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement received						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
IIFL Finance Limited	0.06	-	-	-	-	0.06
	(0.11)	(-)	(-)	(-)	(-)	(0.11)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
India Infoline Foundation	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(0.12)	(-)	(-)	(-)	(0.12)
Sale of Fixed Assest						
IIHFL Sales Limited	-	0.03	-	-	-	0.03
	(-)	(0.38)	(-)	(-)	(-)	(0.38)
5paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.48	-	-	-	-	0.48
	(0.62)	(-)	(-)	(-)	(-)	(0.62)
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.34)	(-)	(0.34)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Payment of Assignment Transactions						
IIFL Finance Limited	45.04	-	-	-	-	45.04
	(63.35)	(-)	(-)	(-)	(-)	(63.35)
Purchase of Fixed Assest						
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(0.01)	(-)	(-)	(-)	(0.01)
5paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.05)	(-)	(0.05)
IIFL Finance Limited	0.06	-	-	-	-	0.06
	(0.32)	(-)	(-)	(-)	(-)	(0.32)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.17)	(-)	(0.17)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)

Note: The above remuneration of KMPs comprises of salary, allowances, performance bonus, etc. but excludes non-monetary value of other perquisites computed on the basis of the Income Tax Act, 1961 and Rules thereon.

Figures in brackets () represents previous year's figures.
0.00 denotes amount less than ₹ Fifty thousands

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Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2024

41 B. Closing balance:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	0.12	-	0.12
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.31	-	0.31
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	5.88	-	-	-	-	5.88
	(-)	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIHFL Sales Limited	-	4.99	-	-	-	4.99
	(-)	(2.43)	(-)	(-)	(-)	(2.43)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Receivable from Group/Holding Company						
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(0.14)	(-)	(0.14)
5 Paisa Capital Ltd	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(-)	(0.04)
IIFL Finance Limited	-	-	-	-	-	-
	(0.07)	(-)	(-)	(-)	(-)	(0.07)
India Infoline Foundation	-	-	-	-	-	-
	(-)	(-)	(-)	(3.06)	(-)	(3.06)
Debt Securities Outstanding						
360 One WAM Limited	-	-	-	2.09	-	2.09
	(-)	(-)	(-)	(17.75)	(-)	(17.75)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(8.00)	(-)	(8.00)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(4.00)	(-)	(4.00)
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	0.30	0.30
	(-)	(-)	(-)	(-)	(0.27)	(0.27)
Mr. Gaurav Seth	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Amit Gupta	-	-	-	-	0.16	0.16
	(-)	(-)	(-)	(-)	(0.14)	(0.14)
Mr. Ajay Jaiswal	-	-	-	-	0.16	0.16
	(-)	(-)	(-)	(-)	(0.14)	(0.14)
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	0.03	0.03
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. Venkataramanan	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Mathew Joseph	-	-	-	-	0.04	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
Corporate Guarantee						
IIFL Finance Limited	410.32	-	-	-	-	410.32
	(584.94)	(-)	(-)	(-)	(-)	(584.94)
Security Deposit receivable						
IIFL Facilities Services Limited	1.49	-	-	-	-	1.49
	(0.51)	(-)	(-)	(-)	(-)	(0.51)

Please refer ESOP note for ESOP outstanding to KMPs

Figures in brackets () represents previous year's figures.

0.00 denotes amount less than ₹ Fifty thousands

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

(₹ in Crores)

Name of Related Party	Outstanding as on 31-Mar-24	Maximum Outstanding during the reporting year	Outstanding as on 31-Mar-23	Maximum Outstanding during the previous year
5paisa Capital Limited	-	100.00	-	-
IIFL Finance Limited	-	700.00	-	300.00
IIFL Securities Limited	-	250.00	-	200.00
Samasta Microfinance Limited	-	250.00	-	350.00
IIHFL Sales Limited	-	-	-	6.00

Note 42. Maturity Analysis of Assets And Liabilities as at March 31, 2024

(₹ in Crores)

Sr. no.	Particulars	Within 12 Months	After 12 Months	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	771.15	-	771.15
(b)	Bank balance other than (a) above	218.23	81.00	299.23
(c)	Derivative financial instruments	-	-	-
(d)	Receivables			
	(I) Trade receivables	47.94	-	47.94
(e)	Loans	4,679.81	18,460.67	23,140.48
(f)	Investments	105.65	476.48	582.13
(g)	Other financial assets	21.64	464.80	486.44
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	18.78	18.78
(b)	Deferred tax assets (net)	-	31.46	31.46
(c)	Investment Property	-	2.16	2.16
(d)	Property, plant and equipment	-	7.42	7.42
(e)	Intangible asset under development	-	0.34	0.34
(f)	Other intangible assets	-	0.56	0.56
(g)	Right of use assets	-	38.55	38.55
(h)	Other non-financial assets	-	7.67	7.67
	Total Assets (A)	**5,844.42**	**19,589.89**	**25,434.31**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	2.61	2.61
(b)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.12	-	3.12
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	70.61	-	70.61
(c)	Lease liabilities	10.56	30.21	40.77
(d)	Debt securities	771.17	2,841.87	3,613.04
(e)	Borrowings (other than debt securities)	2,509.76	10,523.43	13,033.19
(f)	Subordinated liabilities	25.52	1,011.86	1,037.38
(g)	Other financial liabilities	1,052.19	-	1,052.19
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	4.85	-	4.85
(b)	Provisions	21.02	9.02	30.04
(c)	Other non-financial liabilities	99.11	-	99.11
3	**Total liabilities (B)**	4,567.91	14,419.00	18,986.91
4	**Net Assets (A-B)**	1,276.51	5,170.89	6,447.40

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Note 42. Maturity Analysis of Assets And Liabilities as at March 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Within 12 Months	After 12 Months	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,628.26	-	1,628.26
(b)	Bank balance other than (a) above	168.79	190.50	359.29
(c)	Derivative financial instruments	41.99	-	41.99
(d)	Receivables			
	(I) Trade receivables	40.59	-	40.59
(e)	Loans	3,515.69	14,218.60	17,734.29
(f)	Investments	1,419.87	7.37	1,427.24
(g)	Other financial assets	5.95	446.41	452.36
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	11.46	11.46
(b)	Deferred tax assets (net)	-	45.62	45.62
(c)	Investment Property	-	2.29	2.29
(d)	Property, plant and equipment	-	7.65	7.65
(e)	Intangible asset under development	-	0.11	0.11
(f)	Other intangible assets	-	0.44	0.44
(g)	Right of use assets		27.78	27.78
(h)	Other non-financial assets	-	5.81	5.81
	Total Assets (A)	**6,821.14**	**14,964.04**	**21,785.18**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	-	-
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	-	3.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	47.94	-	47.94
(c)	Lease liabilities	6.27	23.45	29.72
(d)	Debt securities	42.85	2,211.37	2,254.22
(e)	Borrowings (other than debt securities)	2,934.45	8,686.22	11,620.67
(f)	Subordinated liabilities	93.31	985.00	1,078.31
(g)	Other financial liabilities	897.91	-	897.91
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	16.01	-	16.01
(b)	Provisions	13.01	6.33	19.34
(c)	Other non-financial liabilities	264.85	-	264.85
3	**Total liabilities (B)**	**4,319.61**	**11,912.37**	**16,231.98**
4	**Net Assets (A-B)**	**2,501.53**	**3,051.67**	**5,553.20**

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43. RBI Disclosures

43 A. Disclosure made vide Notification "RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21" dated August 06, 2020 on Resolution Framework for COVID-19-related Stress (Resolution Framework 1.0).

(₹ in Crores)

Type of Borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at September 2023	(B) of (A), aggregate debt that slipped into NPA during the half year	(C) Of (A), amount written off during the half year	(D) Of (A), amount paid by the borrower during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at March 2024
Personal Loans	196.18	5.60	8.91	25.63	156.04
Corporate persons	7.55	-	2.72	4.83	-
of which MSMEs	-	-	-	-	-
Others	90.23	4.23	0.75	9.70	75.56
Total	**293.96**	**9.83**	**12.38**	**40.16**	**231.60**

43 B. Disclosure made vide Notification No - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on "Implementation of Indian Accounting

As at March 31, 2024

(₹ In Crores)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	21,991.78	115.40	21,876.38	84.60	30.80
	Stage 2	1,178.78	134.42	1,044.36	17.52	116.90
Subtotal		**23,170.57**	**249.82**	**22,920.74**	**102.12**	**147.70**
Non-Performing Asset						
Substandard	Stage 3	220.39	65.89	154.50	33.30	32.59
Subtotal for Substandard		**220.39**	**65.89**	**154.50**	**33.30**	**32.59**
Doubtful upto 1 year	Stage 3	103.42	33.94	69.48	29.82	4.12
1 to 3 years	Stage 3	16.48	6.84	9.64	6.84	0.00
More than 3 years	Stage 3	0.62	0.62	-	0.62	0.00
Subtotal for doubtful		**120.52**	**41.40**	**79.12**	**37.28**	**4.13**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**340.91**	**107.29**	**233.62**	**70.57**	**36.72**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under	Stage 1	3,188.73	11.68	3,177.05	-	11.68
	Stage 2	38.43	2.20	36.23	-	2.20
	Stage 3			-	-	-
Subtotal for Other Items		**3,227.16**	**13.88**	**3,213.28**	-	**13.88**
Total	**Stage 1**	**25,180.52**	**127.09**	**25,053.43**	**84.60**	**42.48**
	Stage 2	**1,217.22**	**136.62**	**1,080.59**	**17.52**	**119.10**
	Stage 3	**340.91**	**107.29**	**233.62**	**70.57**	**36.72**
	Total	**26,738.64**	**371.00**	**26,367.64**	**172.70**	**198.30**

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As at March 31, 2023

(₹ in Crores)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	16,754.94	248.09	16,506.86	91.87	156.21
	Stage 2	1,087.31	118.89	968.41	24.44	94.45
Subtotal		**17,842.25**	**366.98**	**17,475.27**	**116.31**	**250.66**
Non-Performing Asset						
Substandard	Stage 3	301.80	79.36	222.44	46.39	32.97
Subtotal for Substandard		**301.80**	**79.36**	**222.44**	**46.39**	**32.97**
Doubtful upto 1 year	Stage 3	60.26	16.88	43.39	15.96	0.92
1 to 3 years	Stage 3	21.99	9.91	12.07	9.91	0.00
More than 3 years	Stage 3	2.04	2.04	-	2.04	0.00
Subtotal for doubtful		**84.29**	**28.83**	**55.46**	**27.92**	**0.92**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**386.09**	**108.19**	**277.90**	**74.30**	**33.89**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under	Stage 1	2,070.33	17.72	2,052.61	-	17.72
	Stage 2	28.09	1.17	26.92	-	1.17
	Stage 3			-	-	-
Subtotal for Other Items		**2,098.41**	**18.88**	**2,079.53**	-	**18.88**
Total	**Stage 1**	**18,825.27**	**265.80**	**18,559.46**	**91.87**	**173.93**
	Stage 2	**1,115.39**	**120.05**	**995.33**	**24.44**	**95.62**
	Stage 3	**386.09**	**108.19**	**277.90**	**74.30**	**33.89**
	Total	**20,326.75**	**494.05**	**19,832.70**	**190.61**	**303.44**

In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PDNo.109/22.10.106/2019-20 dated March 13,2020 on implementation of Indian Accounting Standards,Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at March 31,2024 and for March 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

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43C. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

Liquidity Risk Management Framework

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2024		As at Dec 31, 2023		As at Sep 30, 2023		As at June 30, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**622.19**	**600.21**	**755.46**	**720.01**	**1,007.78**	**985.60**	**669.74**	**657.02**
	Cash and Bank Balance	51.11	51.11	46.09	46.09	29.51	29.51	30.16	30.16
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	-	-	-	-	-	-	-	-
	Liquid Investments			0.86	0.86	0.37	0.37	-	-
	HQLA Investments	571.08	549.10	708.51	673.05	977.90	955.72	639.58	626.86
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	2.19	2.52	2.92	3.35	11.18	12.85	16.90	19.44
4	Secured wholesale funding	346.46	398.43	321.77	370.04	405.91	466.80	389.64	448.09
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements								
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities								
6	Other contractual funding obligations	124.29	142.93	91.03	104.68	78.79	90.60	50.66	58.26
7	Other contingent funding obligations	214.17	246.29	453.77	521.84	375.46	431.78	319.56	367.49
8	**Total Cash outflows**	**687.11**	**790.17**	**869.49**	**999.91**	**871.34**	**1,002.03**	**776.76**	**893.28**
	Cash Inflows								
9	Secured lending								
10	Inflows from fully performing exposures	295.25	221.44	271.72	203.79	260.05	195.04	249.48	187.11
11	Other cash inflows	225.93	169.45	411.04	308.28	748.25	561.19	553.20	414.90
12	**Total Cash Inflows**	**521.18**	**390.89**	**682.76**	**512.07**	**1,008.30**	**756.23**	**802.68**	**602.01**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		**600.21**		**720.01**		**985.60**		**657.02**
14	**Total Net Cash Outflows**		**399.28**		**487.84**		**250.51**		**291.27**
15	**Liquidity Coverage Ratio(%)**		**150.32%**		**147.59%**		**393.44%**		**225.57%**

Note: LCR computation is based on Management estimation of future inflows and outflows and is relied upon by the auditors.

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Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2024

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2023 Total Unweighted Value (average)	As at March 31, 2023 Total Weighted Value (average)	As at December 31, 2022 Total Unweighted Value (average)	As at December 31, 2022 Total Weighted Value (average)	As at Sep 30, 2022 Total Unweighted Value (average)	As at Sep 30, 2022 Total Weighted Value (average)	As at June 30, 2022 Total Unweighted Value (average)	As at June 30, 2022 Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**534.79**	**455.78**	**615.33**	**524.53**	**271.48**	**233.63**	**295.71**	**295.71**
	Cash and Bank Balance	8.07	8.07	9.99	9.99	19.18	19.18	34.57	34.57
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	-	-	-	-	-	-	261.14	261.14
	Liquid Investments	-	-	-	-				
	HQLA Investments	526.72	447.71	605.34	514.54	252.30	214.45	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-				
3	Unsecured wholesale funding	12.96	14.91	2.99	3.43	14.13	16.25	5.43	6.24
4	Secured wholesale funding	345.34	397.14	380.65	437.75	356.36	409.81	338.65	389.45
5	Additional requirements, of which	-		-					
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-				
(ii)	Outflows related to loss of funding on debt products	-	-	-	-				
(iii)	Credit and liquidity facilities	-	-	-	-				
6	Other contractual funding obligations	67.38	77.49	52.33	60.17	52.58	60.47	53.71	61.77
7	Other contingent funding obligations	146.10	168.01	144.28	165.93	143.83	165.41	141.03	162.18
8	**Total Cash outflows**	**571.78**	**657.55**	**580.25**	**667.28**	**566.90**	**651.94**	**538.82**	**619.64**
	Cash Inflows								
9	Secured lending								
10	Inflows from fully performing exposures	232.27	174.20	227.60	170.70	217.72	163.29	208.45	156.34
11	Other cash inflows	2,010.82	1,508.12	1,452.96	1,089.72	1,245.75	934.32	159.11	119.33
12	**Total Cash Inflows**	**2,243.09**	**1,682.32**	**1,680.56**	**1,260.42**	**1,463.47**	**1,097.61**	**367.56**	**275.67**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		**455.78**		**524.53**		**233.63**		**295.71**
14	**Total Net Cash Outflows**		**164.39**		**166.82**		**162.98**		**343.97**
15	**Liquidity Coverage Ratio(%)**		**277.26%**		**314.43%**		**143.35%**		**85.97%**

Note: LCR computation is based on Management estimation of future inflows and outflows and is relied upon by the auditors.

43D. Details of loans transferred / acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Count of Loan Assigned	17024	15898
2	Amount of Loan transferred	2,485.19	2,274.81
3	Retention of benefitial Economic Interest(MRR)	10%	10%
4	Wgt Average Maturity (Residual Maturity)	207.65 months	191.67 months
5	Wgt Average Holding Period	13.44 months	12.64 months
6	Coverage of Tangible security	100%	100%
7	Rating wise distribution of rated loans	Unrated	Unrated

Note:
(i) The Company has not transferred any non performing assets
(ii) The Company has not acquired any Stressed loans or Special Mention Account

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44. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended from time to time.

The below mentioned notes have been prepared as per Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 ("IND AS").

44.1. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Crores)

Year	No. of significant counterparties*	Amount*	% of Total Deposits	% of Total Liabilities**
March 31, 2024	15	13,933.13	NA	73.38%
March 31, 2023	16	12,090.16	NA	74.48%

Note :
*The above amount does not include borrowings on account of securitisation transaction.
**Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity;

(ii) Top 20 large deposits (amount in Rs Millions and % of total deposits) – Not Applicable

(iii)Top 10 borrowings

(₹ in Crores)

Year	Amount*	% of Total Borrowings
March 31, 2024	12,652.10	71.55%
March 31, 2023	10,633.28	71.11%

*Note: The above amount does not include borrowings on account of securitisation transaction.

(iv) Funding Concentration based on significant instrument / product

(₹ in Crores)

Name of the Product	March 31, 2024		March 31, 2023	
	Amount (₹ in Crs.)	% of Total Liabilities*	Amount (₹ in Crs.)	% of Total Liabilities*
Non Convertible Debentures	4,417.78	23.27%	3,332.53	20.53%
Term Loans	12,767.80	67.25%	11,440.84	70.48%
Securitisation	145.28	0.77%	179.68	1.11%
Cash Credit / Overdraft Facilties	120.11	0.63%	0.15	0.00%
Commercial papers	232.64	1.23%	-	0.00%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(v) Stock Ratios

Stock Ratio	March 31, 2024	March 31, 2023
Commercial papers as a % of total public funds	1.32%	-
Commercial papers as a % of total liabilities	1.23%	-
Commercial papers as a % of total assets	0.91%	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
Other short-term liabilities as a % of total public funds	25.83%	28.89%
Other short-term liabilities as a % of total liabilities	24.06%	26.61%
Other short-term liabilities as a % of total assets	17.96%	19.83%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time.

The Company also manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

44.2. Disclosure on Principal business criteria

Particulars	March 31, 2024	March 31, 2023
Total Housing Loans (%)*	66.03%	56.63%
Individual Housing Loans (%)*	63.04%	53.30%

*% of Total assets netted of intangible assets.

44.3. Other Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions.

I. Capital

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
(i) CRAR %	42.84	47.28
(ii) CRAR - Tier I Capital (%)	37.62	39.24
(iii) CRAR - Tier II Capital (%)	5.22	8.04
(iv) Amount of subordinated debt raised as Tier- II Capital	732.70	920.34
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year		
a) Statutory Reserve U/s 29C of the NHB Act, 1987	102.06	46.58
b) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	459.01	356.39
c) Total	**561.07**	**402.97**
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount transferred U/s 29C of the NHB Act, 1987	52.51	55.48
b) 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	152.89	102.62
Less: a) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-
b) 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	-	-
Balance at the end of the year		
a) Statutory Reserve U/s 29C of the NHB Act, 1987	154.57	102.06
b) 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	611.90	459.01
c) Total	**766.47**	**561.07**

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III) Investments

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
A) Value of Investments		
(i) Gross Value of Investments		
(a) In India*	585.88	1,429.99
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	1.59	0.46
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	584.29	1,429.53
(b) Outside India	-	-
B) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.46	0.85
(ii) Add: Provisions made during the year	1.13	0.36
(iii) Less: Write-off / Write back of excess provisions during the year	-	0.75
(iv) Closing balance	1.59	0.46

* Includes investment property of ₹ 2.75 Crores (as at March 31, 2023 ₹ 2.75 Crores.)

IV) Derivatives

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

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
(i) The notional principal of swap agreements/ forward contracts	1,505.56	1,331.83
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	0.06
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks.	
(v) The fair value of the swap book/ forward contracts*	2.61	41.99

* Fair value as at March 31, 2024 represents Derivative Liabilities and for the year end March 31, 2023 represents Derivative Assets

b. Exchange Traded Interest Rate (IR) Derivative

(₹ in Crores)

Particulars	March 31, 2024
(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 2024 (instrument wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Crores)

Particulars	March 31, 2023
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2023 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

c. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

To manage these risks, the Compnay has board approved policy framework for derivatives, consistent with its general corporate responsibility for corporate governance. The management of derivative activity would be further integrated into the company's overall risk management system.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

Objectives of the policy
- Identify and manage the company's debt and related interest rate risk
- Reduce overall interest cost of the company
- Management of foreign currency positions, derivative transactions and related risks
- To evaluate and measure these risks and their sensitivity to operations
- Establish processes for monitoring and control of the risks as per policy
- Effective MIS and regular reporting of positions and risks to the Risk Management Committee

B. Quantitative Disclosure

(₹ in Crores)

Particulars	Currency Derivatives March 31, 2024	Interest Rate Derivatives March 31, 2024
(i) Derivatives (Notional Principal Amount) For hedging	1,505.56	-
(ii) Marked to Market Positions		
(a) Assets (+)	1.65	-
(b) Liability (-)	-4.26	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

(₹ in Crores)

Particulars	Currency Derivatives March 31, 2023	Interest Rate Derivatives March 31, 2023
(i) Derivatives (Notional Principal Amount) For hedging	1,331.83	-
(ii) Marked to Market Positions		
(a) Assets (+)	44.02	-
(b) Liability (-)	-2.03	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

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

(₹ in Crores)

Particulars	1 day to 7 days	8 day to 15 days	15 day to 30/31 days	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Borrowings from Bank	18.33	10.72	49.50	45.31	386.37	603.04	1,148.16	3,832.40	2,935.28	2,480.10	**11,509.20**
	(7.62)	(21.33)	(38.55)	(70.47)	(473.82)	(568.78)	(1,203.13)	(3,484.38)	(2,210.32)	(2,147.74)	**(10,226.14)**
Market Borrowing	6.94	-	84.90	241.54	35.92	70.13	567.05	1,015.16	1,715.60	913.19	**4,650.43**
	(6.63)	(50.00)	(3.00)	(23.34)	(3.11)	(33.78)	(16.30)	(669.76)	(304.97)	(2,221.64)	**(3,332.53)**
Foreign Currency Liabilities	-	-	9.44	56.25	-	67.73	135.45	490.77	341.80	422.55	**1,523.99**
	(2.30)	(-)	(-)	(42.80)	(-)	(443.15)	(62.50)	(250.00)	(250.00)	(343.78)	**(1,394.53)**
Assets											
Advances	121.11	113.33	576.84	414.99	433.31	950.61	1,988.69	6,443.56	4,299.34	7,798.70	**23,140.48**
	(94.57)	(84.71)	(446.93)	(310.95)	(327.39)	(989.11)	(971.00)	(5,077.19)	(3,034.23)	(6,398.21)	**(17,734.30)**
Investments	0.03	0.03	98.32	6.36	0.12	0.26	55.05	104.98	77.81	240.16	**583.12**
	(99.94)	(99.78)	(398.56)	(259.13)	(196.97)	(0.08)	(161.59)	(51.04)	(28.06)	(132.09)	**(1,427.24)**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Computation of ALM is based on Management estimation of future inflows and outflows and is relied upon by auditors.
Figures in brackets () represents previous year's figures.
Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.
Borrowings from Bank includes borrowings from Financial Institutions.
Foreign Currency Liabilities means borrowings from banks

VI) Exposure

a) Exposure to Real Estate Market

(₹ in Crores)

Category	March 31, 2024	March 31, 2023
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;	22,651.43	17,124.15
(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;	860.05	1,104.19
(iii)Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
a. Residential	6.20	7.61
b. Commercial Real Estate	-	-
b)Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	75.93	-
Total Exposure to Real Estate Sector	**23,593.62**	**18,235.95**

Exposure includes amount outstanding including principal, and interest accrued.

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

b) Exposure to Capital Market

(₹ in Crores)

Category	March 31, 2024	March 31, 2023
(i) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	161.44
(iii) Category III	-	-
Total Exposure to capital market	-	**161.44**

Note: Investments are shown as mark to market.

(b)(i) Sectoral exposure

(₹ in Crores)

Sectors	March 31, 2024			March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Personal Loans						
i. Housing	18,179.38	191.37	1.05%	12,998.57	232.31	1.79%
ii. Non-housing*	7,357.08	149.54	2.03%	6,192.35	153.78	2.48%
Total Personal loans	**25,536.46**	**340.91**	**1.33%**	**19,190.92**	**386.09**	**2.01%**
Others:						
i. Construction Finance	1,202.19	-	-	1,135.84	-	-
Total	**26,738.65**	**340.91**	**1.27%**	**20,326.76**	**386.09**	**1.90%**

** Non-Housing loan includes loans against properties. The above expousre includes sanction but undisbursed amount.*

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

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

e) Unsecured Advances: The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing. The Company does not have any unsecured advances other than those mentioned in Note 7.

f) Exposure to group companies engaged in real estate business

(₹ in Crores)

Description	March 31, 2024	March 31, 2023
i) Exposure to any single entity in a group engaged in real estate business	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-

g) Intra group exposures

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Total amount of intra-group exposures	11.85	28.37
Total amount of top 20 intra-group exposures	11.85	28.37
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.04%	0.14%

* Note intra-group exposure includes off balance sheet items (i.e. Sanctioned but undisbursed loans).

h) Unhedged foreign currency exposure

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Total amount of unhedged foreign currency exposures	-	-

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44.3A. Related Party Disclosure

(₹ in Crores)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures/Fellow Subsidiary*		Key Management Personnel		Relatives of Key Management Personnel		Directors		Others**		Total	
Items	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Borrowings																
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	2.09	29.75	2.09	29.75
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	2.09	29.75	2.09	29.75
Advances^																
Outstanding	5.88	-	4.99	-	-	-	-	-	-	-	-	-	0.46	-	11.33	-
Maximum Outstanding	5.88	-	4.99	-	-	-	-	-	-	-	-	-	0.46	-	11.33	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-	0.05	0.05
Maximum Outstanding	-	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-	0.05	0.05
Purchase of fixed/other assets	0.06	0.32	0.01	0.01	-	-	-	-	-	-	-	-	0.03	0.22	0.10	0.55
Sale of fixed/other assets	0.48	0.62	0.03	0.38	-	-	-	-	-	-	-	-	0.02	0.39	0.53	1.39
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	0.60	0.99	0.60	0.99
Interest received	21.11	1.07	-	0.19	5.51	9.94	-	-	-	-	-	-	15.56	0.15	42.18	11.35
Others																
Corporate Social Responsibility Expense (CSR)	-	-	-	-	-	-	-	-	-	-	-	-	16.46	8.52	16.46	8.52
CSR Unspent amount refund received	-	-	-	-	-	-	-	-	-	-	-	-	3.54	-	3.54	-
Arranger fees Expense/ Loan Sourcing Fee	-	-	22.74	15.65	-	-	-	-	-	-	-	-	0.84	0.40	23.57	16.05
Commission/ Brokerage Expense	-	-	-	-	-	-	-	-	-	-	-	-	0.07	-	0.07	-
Brokerage Expense Reversal	-	-	-	-	-	-	-	-	-	-	-	-	-	0.98	-	0.98
Remuneration and Compensation to KMP	-	-	-	-	-	-	22.20	10.63	-	-	-	-	-	-	22.20	10.63
Sitting Fees paid to Directors & Commission to Directors	-	-	-	-	-	-	-	-	-	-	1.05	0.64	-	-	1.05	0.64
Interim Dividend Payment	115.32	83.87	-	-	-	-	-	-	-	-	-	-	-	-	115.32	83.87
Interim Dividend Received	-	-	-	-	-	1.25	-	-	-	-	-	-	-	-	-	1.25
ICD/Loan Given	1,450.00	300.00	-	8.00	400.00	775.00	-	-	-	-	-	-	1,455.00	370.00	3,305.00	1,453.00
ICD/Loan received back	1,450.00	300.00	-	8.00	400.00	775.00	-	-	-	-	-	-	1,455.00	370.00	3,305.00	1,453.00
Purchase of Investment	63.84	-	-	-	-	-	-	-	-	-	-	-	-	-	63.84	-
Sale of Investment - Equity Share	2.38	259.08	-	-	-	-	-	-	-	-	-	-	-	-	2.38	259.08
Net Interest Accrued	-	-	-	-	-	-	-	-	-	-	-	-	0.07	-	0.07	-
Commission on Corporate Guarantee	4.93	-	-	-	-	-	-	-	-	-	-	-	-	-	4.93	-
Other Paid	51.82	70.49	8.59	2.57	-	-	-	-	-	-	-	-	8.86	6.63	69.28	79.69
Other Received	1.23	1.73	0.11	0.42	-	-	-	-	-	-	-	-	0.68	0.81	2.02	2.96

* IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)

** Other Group Companies

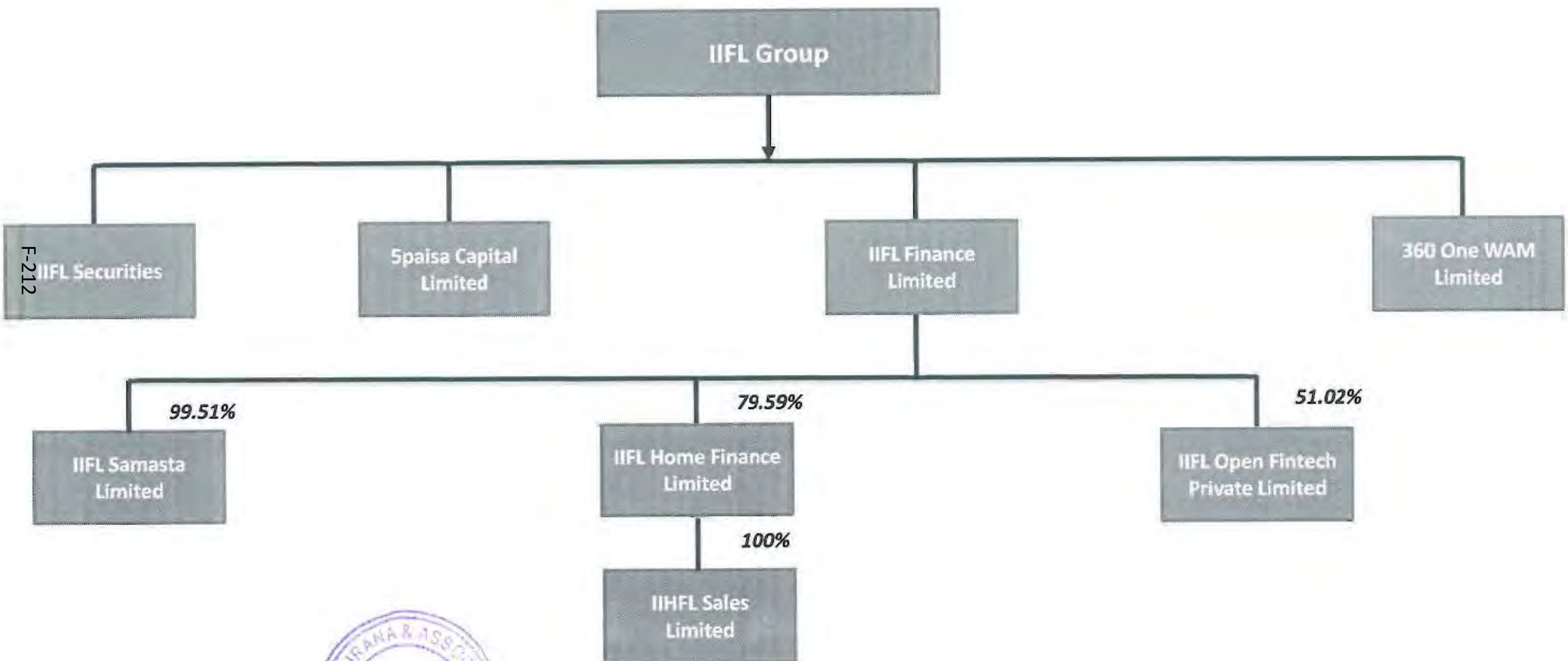
^ ICDs given and taken back have been shown separately

Chartered Accountants

44.4. Miscellaneous

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

II) Group Structure as on March 31, 2024:



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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

III) Note on Rating assigned by Credit Rating Agencies and migration of rating during the year

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2024

(₹ in Crores)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')	13,300.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')	185.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')	126.52
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Watch Developing (Placed on 'Rating Watch with Developing Implications')	3,587.38
Commercial Paper	CRISIL Limited	CRISIL A1+	5,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+	5,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA; Placed on 'Rating Watch with Negative Implications	2,743.75
Subordinated Debt programme	ICRA Limited	[ICRA]AA; Placed on 'Rating Watch with Negative Implications	238.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA; Placed on 'Rating Watch with Negative Implications	5,000.00
Long term market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA; Placed on 'Rating Watch with Negative Implications	200.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA (RWD) Placed on Rating Watch with Developing Implications	17.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative	15.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative	270.00
NCDs	Brickwork Ratings	BWR AA+/Negative	5,000.00

b) Details of Migration of Ratings during the FY 2023-24:

(₹ in Crores)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2023-24	Rating in 2022-23
Total Bank Loan Facilities Rated	CRISIL Limited	13,300.00	CRISIL AA/Positive	CRISIL AA/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	185.00	CRISIL PP-MLD AA/Positive	CRISIL PPMLD AA/Stable
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	126.52	CRISIL PP-MLD AA/Positive	CRISIL PPMLD AA/Stable
Non Convertible Debentures	CRISIL Limited	3,587.38	CRISIL AA/Positive	CRISIL AA/Stable

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2023

(₹ in Crores)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	8,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	185.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	126.52
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	3,645.38
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	5,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	5,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	2,743.75
Subordinated Debt programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	353.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	5,000.00
Long term market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA (Stable)/ Reaffirmed	200.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable	17.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative Reaffirmed	15.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	270.00
NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	5,000.00

b) Details of Migration of Ratings during the FY 2022-23: During the year under review there were no migrations of Ratings.

IV) Net Profit or Loss for the period, prior period items and changes in accounting policies
There are no impact in the profit and loss on account of prior period items on the current year profit and loss. Also refer Material Accounting Policies Note 3.

V) Revenue Recognition : No revenue recognition has been postponed pending the resolution of significant uncertainties.

VI) Applicability of Consolidation of Financial Statements: Refer to the Consolidated Financial Statements for the relevant disclosures.

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MUMBAI

IIFL HOME FINANCE LIMITED

44.5. Additional Disclosures

I) Details on Provisions and Contingencies

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

(₹ in Crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2023-24	2022-23
Provisions for depreciation on Investment*	1.13	0.36
Provision towards NPA**	(7.33)	(40.49)
Provision made towards Income tax	301.37	232.57
Other Provision and Contingencies***	10.70	5.28
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH	**(122.15)**	**36.89**

*Includes depreciation on Investment Property.

** Includes provision towards Trade Receivables of ₹ -6.43 Crores (P.Y. ₹ 6.40 Crores).

***Includes provisions for employee benefits.

b) Break up of Loans and Advances and Provisions thereon

(₹ in Crores)

Breakup of Loans and Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Standard Assets				
a) Total Outstanding Amount	16,808.72	12,350.97	6,361.85	5,491.28
b) Provisions made	144.08	232.26	119.63	153.60
Sub-Standard Assets		-		-
a) Total Outstanding Amount	112.63	191.92	107.76	109.88
b) Provisions made	34.91	53.96	30.97	25.40
Doubtful Assets - Category I		-		-
a) Total Outstanding Amount	69.24	33.67	34.18	26.59
b) Provisions made	23.65	10.02	10.30	6.86
Doubtful Assets - Category II		-		-
a) Total Outstanding Amount	9.39	6.09	7.09	15.90
b) Provisions made	3.88	2.47	2.95	7.44
Doubtful Assets - Category III		-		-
a) Total Outstanding Amount	0.45	0.98	0.18	1.06
b) Provisions made	0.45	0.98	0.18	1.06
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**17,000.43**	**12,583.62**	**6,511.06**	**5,644.71**
b) Provisions Amount	**206.97**	**299.69**	**164.03**	**194.36**

II). Divergence in the asset classification and provisioning: In terms of the RBI guidelines, HFCs are required to disclose the divergence in asset classification and provisioning consequent to NHB's assessment in their notes to accounts to the financial statements, wherever the additional provisioning assessed / additional gross NPAs identified by NHB exceeds the threshold specified in the guidelines. During the year ended FY 24 inspection was carried out for FY 23 and the final report is awaited.

III) Details on drawn drown from reserves

The disclosure pertaining to drawn down from Reserves has been disclosed shown in Other Equity (Refer Note 23).

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

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

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-

b) Concentration of Loans & Advances

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Loans & Advances to twenty largest borrowers	538.13	833.68
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.29%	4.57%

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

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to twenty largest borrowers / customers	1,128.78	981.21
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.13%	4.83%

Note: Exposure includes amount outstanding including principal, interest accrued, unamortised processing fee, modification gain loss and sanctioned but undisbursed.

d) Concentration of NPAs

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to top ten NPA accounts	16.57	62.08

e) Sector wise NPAs - Percentage of NPAs to Total Advances in that sector

(₹ in Crores)

Sector	As at March 31, 2024	As at March 31, 2023
A. Housing Loans		
1. Individuals	1.18%	1.96%
2. Builders/Project Loans	-	-
3. Corporates	3.86%	2.96%
4. Others (specify)	-	-
B. Non-Housing Loans		
1. Individuals	2.38%	2.61%
2. Builders/Project Loans	0.00%	4.16%
3. Corporates	2.13%	2.93%
4. Others (specify)	-	-

Note:

1. The percentage shown above have been computed basis the NPA amount of the category divided by the outstanding of the respective category.

2. The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

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V) Movement of NPAs

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Net NPAs to Net Advances (%)	1.00%	1.52%
(II) Movement of NPAs (Gross)		
a. Opening balance	386.09	489.86
b. Additions during the year	221.75	268.00
c. Reductions during the year	(266.93)	(371.77)
d. Closing balance	**340.91**	**386.09**
(III) Movement of Net NPAs		
a. Opening balance	277.90	339.72
b. Additions during the year	146.52	188.70
c. Reductions during the year	(190.80)	(250.52)
d. Closing balance	**233.62**	**277.90**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	108.19	150.14
b. Provisions made during the year	75.23	79.31
c. Write-off/write-back of excess provisions	(76.13)	(121.26)
d. Closing balance	**107.29**	**108.19**

VI) Overseas Assets

(₹ in Crores)

Particulars	2023-24	2022-23
N.A.	N.A.	N.A.

VII) Off-balance Sheet SPVs sponsored which are required to be consolidated as per accounting Nor

(₹ in Crores)

Name of the SPV Sponsored	Domestic	Overseas
NA	N.A.	N.A.

44.6. Disclosure of Complaints

1) Summary information on complaints received by the Company from customers:

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Complaints received by **the Company from its customers:**		
1. Number of complaints pending at beginning of the year	25	16
2. Number of complaints received during the year	782	728
3. Number of complaints disposed during the year	802	719
3.1 of which, number of complaints rejected by the HFC	NA	NA
4. Number of complaints pending at the end of the year	5	25

2) Top five grounds of complaints received by the Company from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		March 31, 2024			
On account of Credit Linked Subsidy Scheme	2	72	-60%	-	-
On account of ROI related	1	119	42%	-	-
On account of Refund related	4	93	12%	-	-
On account of Disbursement	5	61	0%	-	-
On account of Foreclosure	8	69	15%	-	-
Others	5	368	47%	5	-
Total	25	782		5	-
	March 31, 2023				
On account of Credit Linked Subsidy Scheme	6	179	-21%	2	-
On account of ROI related	1	84	45%	1	-
On account of Refund related	1	83	19%	4	-
On account of Disbursement	1	61	17%	5	1
On account of Legal	5	70	89%	8	3
Others	2	251	-13%	5	-
Total	**16**	**728**		**25**	**4**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

44.7. Breach of covenant: There are no instances of breach of covenants for loan availed or debt securities issued.

44.8. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016: There were 4 cases (Previous Year Nil) of frauds reported during the year where amount involved was ₹ 0.79 crores (Previous Year Nil).

44.9. Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021:

Securitisation transactions under SPV Structure sponsored by HFC*

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
1) No of SPVs sponsored by the HFC for securitisation transactions	3	9
2) Total amount of securitised assets as per books of the SPVs sponsored	144.69	179.55
3) Total amount of exposures retained by the HFC towards the MRR as on the		
I) Off-balance sheet exposures towards Credit Enhancements	-	-
II) On-balance sheet exposures towards Credit Enhancements	66.64	148.27
4) Amount of exposures to securitisation transactions other than MRR		
I) Off-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations	-	-
b) Exposure to third party securitizations	-	-
II) On-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations	13.31	47.40
(b) Exposure to third party securitizations	-	-

*The disclosure in terms of Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 is not applicable pursuant to Para 4 of the Direction.

Note 45: Other Disclosures:

A. Figures for the previous year have been re-grouped / reclassified whereever necessary, to confirm to current year's classification. The details for regrouping are as follows:

Regrouped to	Regrouped from	Amount
Loans	Assets Held for sale	5.47
Intangible assets under development	Other non-financial assets	0.11
Other non-financial liabilities	Other financial Liabilities	5.20
Interest Income	Net Gain On Derecognition Of Financial Instruments Under Amortized Cost Category	12.13
Interest Income	Net Gain On Derecognition Of Financial Instruments Under Fvtoci	11.48
Impairment on financial instruments	Net Gain On Derecognition Of Financial Instruments Under Amortized Cost Category	28.68
Other expenses - Bank Charges	Other expenses - Office expenses	0.17

B. The company has used 2 accounting software in which the audit trail (edit log) feature is enabled and operated throughout the year. Further, the company has not noted any instances of changes in the audit trail feature during the year.

Chartered Accountants MUMBAI

IIFL HOME FINANCE LIMITED

IIFL HOME FINANCE LIMITED
Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2024

C. These financial statements were authorised for issue by the Company's Board of Directors on May 06, 2024.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Amit Kabra
Partner
Membership No. 094533

Place: Mumbai
Date: May 06, 2024

For Suresh Surana & Associates LLP
Chartered Accountants
ICAI Firm registration number: 121750W/W100010

Ramesh Gupta
Partner
Membership No: 102306

Place: Mumbai
Date: May 06, 2024

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman
Non-Executive Director
(DIN: 00011919)
Place: Mumbai

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Gaurav Seth
Chief Financial Officer
Place: Mumbai

Suresh Surana & Associates LLP
Chartered Accountants
217 8th Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Holding Company"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its associate which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the rules made thereunder ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under sub-section 10 of section 143 of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiary and associate companies audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Key Audit Matters for Holding Company

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The Company exercises significant judgement using assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances. The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under: • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL • Loan staging criteria • Calculation of Probability of Default (PD) and Loss Given Default (LGD) • Consideration of probability scenarios and forward looking macro-economic factors • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the	We performed audit procedures set out below: • Read the Company's Board approved Ind-AS 109 based impairment provisioning policy • Understood and assessed the Company's process and controls on measurement and recognition of impairment in the loan portfolio • Test checked loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage • Test checked PD and LGD calculation workings performed by management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at portfolio level • Test checked the calculations of determining Exposure at Default (EAD) • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages

Key Audit Matter	How the matter was addressed in our audit
country arising out of the COVID 19 pandemic, certain restructured cases, interest rate increase resulting in increased EMI which may cause stress, introduction of new product and specific identification of certain construction finance cases etc. ECL requires a large variety of data as an input to the model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In view of the criticality of the item to the Consolidated Financial Statements, complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.	• Performed an assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment • Relied on the management note and representation regarding determination of management overlay due to various additional factors.
IT Systems and controls The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: • Interest, Fee income and other charges collected on Loans	We performed audit procedures set out below: • We obtained an understanding of the Company's business IT environment and key changes, if any during the audit period that may be relevant to the audit. • Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. • We have tested and reviewed the reconciliations between the loan origination/ servicing application and

Chartered Accountants

Key Audit Matter	How the matter was addressed in our audit
• Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. Our audit outcome is dependent on the effective functioning of such operating and accounting system.	the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have also obtained management representations wherever considered necessary.

B. Key Audit Matters for Subsidiary Company - IIHFL Sales Ltd - No key audit matters reported by the Subsidiary Company's auditor for the year ended March 31, 2023

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

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

The Holding Company's Board of Directors are responsible for the matters stated in sub-section 5 of section 134 of the Act with respect to preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated

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changes in equity and consolidated cash flows of the Group and its Associate in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with rules made thereunder..

The respective Board of Directors of the companies included in the Group and of its associate is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate is responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate is responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

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resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the whether the Group and its associate which are companies incorporated in India, have adequate internal financial controls in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a) The consolidated financial statements include total assets of Rs. 41.47 Crores as at March 31, 2023, total revenues of Rs. 15.65 Crores, total profit before tax of Rs. 14.86 Crores, total net profit after tax of Rs. 11.26 Crores and net cash inflows amounting to Rs. 6.05 Crores, respectively of a subsidiary for the year ended on that date. These financial statements have been audited by one of the Joint Auditors i.e. M. P. Chitale & Co. whose reports have been furnished to other Joint Auditor i.e. Suresh Surana & Associates LLP by the Management and their opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, is solely based on the reports of one of the Joint Auditors i.e. M. P. Chitale & Co.

b) The Consolidated Financial Statements also include the Group's share of net profit after tax and total comprehensive income of Rs. 3.76 Crores and Rs. 3.91 Crores, respectively for the period April 1, 2022 to July 27, 2022, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have not been audited. These financial statements have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

c) Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters (a) and (b) with respect to our reliance on the work done and the report of Auditors and financial statements certified by the management.

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M. P. Chitale & Co. Mumbai C.A.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the one of the Joint auditors on separate financial statements of one subsidiary , as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. in our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with rules made thereunder ;

e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on

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the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. the Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 36(b) to the Consolidated Financial Statements.

ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Group.

iv. (a) The respective Management of the companies included in the Group have represented that, to the best of their knowledge and belief, as disclosed in the note 38B i.(i) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the companies included in the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies included in the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Management of the companies included in the Group have represented, that, to the best of their knowledge and belief, as disclosed in the note 38B i.(ii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the companies included in the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the companies included in the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

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(b) The Subsidiary Company has neither declared dividend nor paid during the year.

vi. As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable for the Group only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on using accounting software which has a feature of recording audit trail (edit log) facility is not applicable.

3. With respect to respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary issued by one of the joint auditors included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except below.

Sr.No.	Name	CIN	Holding Company/ Subsidiary/ Associates/ Joint Venture	Clause Number of the CARO report which is qualified or adverse
1	IIFL Home Finance Limited	U65993MH2006PLC166475	Holding Company	vii (a)
2	IIHFL Sales Limited	U74999MH2021PLC368361	Subsidiary Company	vii (a)

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSG7634

Place: Mumbai

Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNO1714

Place: Mumbai

Date: April 24, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH 1 (F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Holding Company"), as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of the Company, and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial reporting of the Holding Company and its subsidiary, which are the companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

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M. P. Chitale & Co. Mumbai C.A.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial reporting of the Holding Company, and its subsidiary, which are the companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

SURESH SURANA & ASSOCIATES LLP
Chartered Accountants

M. P. CHITALE & CO. MUMBAI

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph below, the Holding Company and its subsidiary, which are the companies incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to one subsidiary, is based on the report of the one of the joint auditors of such company, incorporated in India.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSG7634

Place: Mumbai
Date: April 24, 2023

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

M. P. CHITALE & CO. MUMBAI C.A.

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNO1714

Place: Mumbai
Date: April 24, 2023

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Financial assets**			
(a)	Cash and cash equivalents	4A	1,635.21	1,399.62
(b)	Bank balance other than (a) above	4B	359.29	433.29
(c)	Derivative financial instruments	5	41.99	-
(d)	Receivables	6		
	(i) Trade receivables		47.50	36.91
(e)	Loans	7	17,715.69	15,290.22
(f)	Investments	8	1,427.19	403.41
(g)	Other financial assets	9	454.15	357.82
2	**Non-financial assets**			
(a)	Current tax assets (Net)		11.66	5.51
(b)	Deferred tax assets (Net)	10	45.84	64.20
(c)	Investment property	11A	2.29	6.63
(d)	Property, plant and equipment	11B	7.91	6.57
(e)	Right of use assets	12A	50.22	23.54
(f)	Other intangible assets	12B	0.44	0.18
(g)	Other non-financial assets	13	6.20	4.78
(h)	Assets held for sale	14	5.46	9.70
	Total assets		**21,811.04**	**18,042.38**
	LIABILITIES AND EQUITY			
1	**Financial liabilities**			
(a)	Derivative financial instruments	5	-	5.05
(b)	Trade payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		3.01	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		48.37	50.94
(c)	Finance lease obligation	12A	52.00	25.64
(d)	Debt securities	16	2,254.22	2,217.99
(e)	Borrowings (other than Debt securities)	17	11,620.67	10,944.93
(f)	Subordinated liabilities	18	1,078.31	1,057.69
(g)	Other financial liabilities	19	903.12	944.45
2	**Non-financial liabilities**			
(a)	Current tax liabilities (Net)		16.01	26.25
(b)	Provisions	20	20.22	14.27
(c)	Other non-financial liabilities	21	261.00	51.48
3	**Equity**			
(a)	Equity share capital	22	26.34	20.97
(b)	Other equity	23	5,527.77	2,682.72
(c)	Non-controlling interest		-	-
	Total liabilities and equity		**21,811.04**	**18,042.38**
See accompanying notes forming part of the financial statements		1-45		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Date: April 24, 2023

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ In Crores)

Sr. no.	Particulars	Note no.	FY 2022-23	FY 2021-22
	Revenue from Operations			
(i)	Interest Income	24	2,276.35	1,876.78
(ii)	Fees and commission income	25	114.48	76.96
(iii)	Net gain on fair value changes	26	59.65	6.32
(iv)	Net gain on derecognition of financial instruments under amortised cost category	27	40.81	10.92
(v)	Net gain on derecognition of financial instruments under FVTOCI	28	84.02	115.88
(vi)	Net gain/(loss) on derecognition of Equity shares under cost category		6.59	-
(vii)	Net gain on modification of financial instruments under amortised cost category		-	0.26
(I)	**Total Revenue from Operations**		2,581.90	2,087.12
(II)	**Other Income**	29	156.11	141.81
(III)	**Total Income (I+II)**		2,738.01	2,228.93
	Expenses			
(i)	Finance costs	30	1,183.46	1,062.64
(ii)	Impairment on financial instruments, including write-offs	31	166.73	160.00
(iii)	Employee benefits expenses	32	263.04	174.18
(iv)	Depreciation, amortization and impairment	11A-12B	14.58	7.41
(v)	Other expenses	33	109.68	74.95
(IV)	**Total Expenses**		1,737.49	1,479.18
(V)	**Profit / (Loss) before tax and share of profit / (loss) of associate (III-IV)**		1,000.52	749.75
(VI)	**Profit / (loss) from associate accounted for using the Equity Method**		3.76	12.65
(VII)	**Profit Before Tax (V +VI)**		1,004.28	762.40
(VIII)	**Tax Expenses:**			
	(i) Current tax	34	230.77	171.20
	(ii) Deferred tax	10	6.18	(3.57)
	(iii) Tax of earlier years	34	(0.79)	1.33
	Total Tax Expenses		236.16	168.96
(IX)	**Profit for the year (VII-VIII)**		768.12	593.44
(X)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liabilities/(assets)		(0.48)	0.11
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.12	(0.03)
	(iii) Share of Other Comprehensive Income of an Associate		0.14	(0.21)
	Subtotal (A)		(0.22)	(0.13)
	B (i) Items that will be reclassified to profit or loss			
	(a) Cash Flow Hedge (net)		16.83	12.83
	(b) Fair value of loans carried at FVTOCI		(0.75)	13.65
	(ii) Income tax relating to items that will be reclassified to profit or loss		(4.05)	(6.66)
	Subtotal (B)		12.03	19.82
	Other Comprehensive Income (A+B)		11.81	19.69
(XI)	**Total Comprehensive Income for the year (IX+X)**		779.93	613.13
	Profit for the year attributable to:			
	Shareholders of the company		768.12	593.44
	Non controlling interest		-	-
	Other Comprehensive Income for the year attributable to:			
	Shareholders of the company		11.81	19.69
	Non controlling interest		-	-
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the company		779.93	613.13
	Non controlling interest		-	-
(XII)	**Earnings per Equity Share of face value of Rs. 10 each**	35		
	Basic (Rs.)		316.90	283.02
	Diluted (Rs.)		316.90	283.02
	See accompanying notes forming part of the financial statements	1-45		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

Date: April 24, 2023

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

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

A. Equity Share Capital

1. As at March 31, 2023

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
20.97	-	-	5.37	26.34

2. As at March 31, 2022

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
20.97	-	-	-	20.97

B. Other Equity
1. As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus					Other Comprehensive Income			Total	Non-Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the current reporting year	1.35	799.16	143.86	402.97	1,333.56	(0.80)	(7.03)	9.65	2,682.72	-
Additions during the year (Refer Note 1)	-	2,194.62	-	-	-	-	-	-	2,194.62	-
Share issue expenses (Refer Note 1)	-	(24.13)	-	-	-	-	-	-	(24.13)	-
Profit for the year	-	-	-	-	768.12	-	-	-	768.12	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	12.60	-	12.60	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.22)	-	-	(0.22)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(105.38)	-	-	-	(105.38)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	158.10	(158.10)	-	-	-	-	-
Fair value of loans carried at FVTOCI								(0.56)	(0.56)	-
Balance at the end of the Current reporting year	1.35	2,969.65	143.86	561.07	1,838.20	(1.02)	5.57	9.09	5,527.77	-

2. As at March 31, 2022

(₹ in Crores)

Particulars	Reserves and Surplus					Other Comprehensive Income			Total	Non-Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the Previous reporting year	1.35	799.16	143.86	287.37	918.62	(0.67)	(16.64)	(0.57)	2,132.48	-
Profit for the year	-	-	-	-	593.44	-	-	-	593.44	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	9.61	-	9.61	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.13)	-	-	(0.13)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(62.90)	-	-	-	(62.90)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	115.60	(115.60)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	10.22	10.22	-
Balance at the end of the Previous reporting year	1.35	799.16	143.86	402.97	1,333.56	(0.80)	(7.03)	9.65	2,682.72	-

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

IIFL home Finance Limited

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

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 crs. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 crs has been charged to securities premium account.
2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40 per equity share (P.Y. ₹ 30/-).
5. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

See accompanying notes forming part of the financial statements

As per our reports attached of even date
For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 24, 2023

M. P. CHITALE & CO. MUMBAI C.A.

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars	Note No.	FY 2022-23	FY 2021-22
Cash Flows from Operating Activities			
Profit before tax		1,004.28	762.40
Adjustments for:			
Depreciation, amortization and impairment		14.58	7.41
Impairment on financial instruments		(3.60)	105.16
Interest expense		1,183.46	1,062.64
Interest on Loans		(2,276.35)	(1,876.78)
Net gain on derecognition of financial instruments		(96.14)	(122.97)
Net (gain)/loss on fair value changes		(59.65)	(6.32)
Net (gain)/loss on derecognition of Equity shares under Equity category		(6.59)	-
Net (gain)/loss on Sale of assets		0.02	0.03
Profit from associate accounted for using the Equity Method		(3.76)	(12.65)
Interest paid		(1,191.07)	(1,218.77)
(Gain)/Loss on termination		(0.06)	-
(Gain)/Loss on Modification		-	(0.26)
Interest received		2,269.74	1,899.48
Operating Profit before Working Capital changes		834.86	599.37
Changes in Working Capital:			
Adjustments for (Increase)/decrease in Other Financial assets		(23.81)	(19.98)
Adjustments for (Increase)/decrease in Trade Receivables		(16.98)	(6.35)
Adjustments for (Increase)/decrease in Other Non Financial assets		(1.28)	(1.58)
Adjustments for (Increase)/decrease in Assets held for sale		4.23	4.25
Adjustments for (Increase)/decrease in Balances with banks - Lien marked		0.48	(3.72)
Adjustments for Increase/(decrease) in Trade Payables		0.44	15.78
Adjustments for Increase/(decrease) in Other financial liabilities		(41.33)	359.06
Adjustments for Increase/(decrease) in Other non-financial liabilities		209.52	(61.88)
Adjustments for Increase/(decrease) in Provisions		5.58	2.28
Operating Profit after Working Capital changes		971.71	887.23
Direct Taxes Paid (Refer note below)		(238.14)	(165.84)
Cash generated from/ (used in) Operations		733.57	721.39
Loans (disbursed) / repaid (net)		(2,393.03)	(820.82)
Net cash generated from / (used in) Operating Activities (A)		(1,659.46)	(99.43)
Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment		(6.98)	(7.15)
Sale of Property, Plant and Equipment		1.39	0.46
Fixed deposits placed		(2,636.31)	(1,784.50)
Fixed deposits matured		2,710.62	1,798.62
Purchase of investments		(21,807.34)	(24,149.30)
Proceeds from sale of investments		20,599.36	23,939.62
Proceeds from sale of investments in Associate		259.08	-
Proceeds from sale of investment property		3.98	-
Net Cash from / (used in) in Investing Activities (B)		(876.20)	(202.25)
Cash flow from Financing Activities			
Proceeds from fresh issue of Equity shares		2,200.00	-
Share issue expenses		(24.13)	-
Dividend paid		(105.38)	(62.90)
Proceeds from Borrowings		4,159.31	4,341.84
Repayment of Borrowings		(3,510.66)	(3,851.80)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		330.00	1,900.45
Repayment of Debt & Sub-Ordinated Debt Securities		(264.03)	(1,034.25)
Payment of interest on lease liabilities		(3.61)	(1.38)
Principal payment of lease liabilities		(10.25)	(2.99)
Net Cash from/(used in) Financing Activities (C)		2,771.25	1,288.97
Net increase/(decrease) in cash and cash equivalents (A+B+C)		235.59	987.29
Cash and cash equivalents as at the beginning of the year		1,399.62	412.33
Cash and cash equivalents as at the end of the year		1,635.21	1,399.62
See accompanying notes forming part of the financial statements	1-45		

Note: As direct tax paid above is not specifically identifiable into financing and investing activities, they have been shown under operating activities.

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Date: April 24, 2023

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

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

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance Limited. IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The Consolidated financial statements of IIFL Home Finance Ltd ("the Company") and its subsidiary/associates (together hereinafter referred to as "the Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

i. Control and Significant Influence

Control is achieved when the Company has all the following:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns

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IIFL Home Finance Limited

Significant Influence

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

ii. Principles of consolidation:

A. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

B. The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

C. The financial statements of the subsidiary and associate companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2023 or till the date significant influence exist.

D. The consolidated financial statements of the Group with subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

E. The investment in associate is accounted for using the equity method of accounting in consolidated financial statement. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments.

F. The excess of cost to the Group of its investments in the subsidiary and associate companies over its share of equity of the subsidiary and associate companies, at the dates on which the investments in the subsidiary and associate companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

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

iii. List of subsidiary and associate consolidated

Name of the entity	Relationship	Date of Control / Significant influence	Proportion of Ownership Interest (%) As at March 31, 2023
IIHFL Sales Limited	Subsidiary	September 28, 2021	100%
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	Associate	June 19, 2020 (ceased to be an associate from July 27, 2022)	0%

(c) Presentation of financial statements

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Consolidated Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Group presents its Consolidated Balance Sheet in the order of liquidity.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to crores except when otherwise stated.

(d) Basis of measurements

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

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

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

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.
Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

(e) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Group's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.
- Creation of additional management overlay to reflect among other things an increased risk of deterioration in performance of pool of specific assets.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the Group at each reporting date and changes, if any are given effect to.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in consolidated financial statements the Group uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group applies appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Taxes

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for

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IIFL Home Finance Limited

certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

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

i. Interest income and dividend income

Interest income on financial instruments at measured amortised cost/Fair value through other comprehensive income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable. Interest income on pool of loan accounts which are assigned is recognised net off interest payable to assignees on the assigned pool of loan accounts.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument adjusted for its past behaviour pattern.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest

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IIFL Home Finance Limited

income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Consolidated Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Consolidated Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

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

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

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

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

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IIFL Home Finance Limited

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

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

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Consolidated Balance Sheet are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Consolidated Statement of Profit or Loss in the period in which the Investment property is derecognised.

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(e) Depreciation and Amortisation

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

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Group
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

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

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

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

(f) Non-current Assets held for Sale

The Company follows various collection mechanisms for recovery of dues from the borrowers, which involves initiating proceedings under SARFASI Act, 2002 wherein actual/physical repossession of assets (collateral) is obtained after eviction in lieu of the loan outstanding. Once repossessed, asset is available for immediate sale via Auction process in its present condition subject only to terms that are usual and customary for sale of such asset. The Company's endeavour is to sell the re-possessed assets, in a public auction and realise the sale proceeds to recover the loan amount outstanding at the earliest. The Customer has all opportunity to repay

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the loan amount before finalization of sale of the property and take back the possession. Since borrowers may settle the loans and in such cases, the property is handed back to them (in case the property is not yet sold in auction), acquiring such properties does not change the nature of the assets and that such re-possessed assets continue to be classified as financial assets. In case where the Company is certain that borrower has no right to settle loans once the re-possessed assets is put up for public auction and that recovery will happen through sale and sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification is classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India was approached by the Company for an opinion in the classification of such repossessed assets as "Non- Current Assets Held For Sale" and the EAC has affirmed the view of the Company on the above matter vide its opinion on September 20, 2022.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

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

Recoverable amount is the higher of fair value less costs of disposal and value in use.
If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Consolidated Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

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

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(h) Employee benefits

i. Defined contribution plans

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

ii. Defined benefit plans

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

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.
The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Consolidated Statement of Profit and Loss.

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognised in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows

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expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plan above.

(i) Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

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

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

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

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

(j) Taxes on income

Current tax

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

Deferred tax

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

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

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary

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differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax for the year

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

(k) Financial instruments

Recognition and Initial Measurement

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Consolidated Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to

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collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting

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contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Consolidated Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Consolidated Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The gain or loss on disposal is recognised in the Consolidated Statement of Profit and Loss.

Interest income is recognised in the Consolidated Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL. The Group may make an irrevocable election to present certain equity investments measured at fair value through other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Group may transfer the cumulative gain or loss within equity.

Reclassifications

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Consolidated Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Consolidated Statement of Profit and Loss at the reclassification date.

Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

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A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Group records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the Group records an allowance for the life time expected credit losses.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

- Loss given default ("LGD") estimates the loss which Group incurs post customer default. It is computed using historical loss, recovery experience and value of collateral. It is usually expressed as a percentage of the Exposure at default ("EAD").

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Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group measures the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which

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affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

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In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Consolidated Statement of Profit and Loss and the corresponding loan is derecognised from the Consolidated Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Group retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Group continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

(l) Derivative financial instrument

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

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Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

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(n) Goods and service tax input credit

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

(o) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(p) Foreign currencies

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Group and makes strategic decision.

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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adjusted to reflect the current best estimates.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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

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

(s) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

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

(u) Statement of Cash Flows

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

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

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

(v) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Group's Board of Directors.

(w) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

Note 3A. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements

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Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

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

Note 4A. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	1.54	0.92
Cheques in hand	105.73	-
Balance with banks		
-In current accounts	89.59	165.53
Fixed deposits (original maturity less than or equal to three months)	1,438.35	1,233.17
Cash and cash equivalents	**1,635.21**	**1,399.62**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs and other earmarked balances	4.70	5.18
Fixed deposits (original maturity less than or equal to three months) - lien marked	90.17	150.07
Fixed deposits (original maturity more than three months)	264.42	278.04
Total	**359.29**	**433.29**

Out of the fixed deposits shown above:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien marked		
Original maturity less than or equal to three months	90.17	150.07
Original maturity more than three months	82.49	81.19
Margin for credit enhancement	80.68	196.86
Total	**253.34**	**428.12**

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Note 5. Derivatives financial instruments

(₹ in Crores)

Part I	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
(i) Currency derivatives:								
-Cross currency interest rate swaps	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
Subtotal (i)	**363.08**	**44.02**	**-**	**44.02**	**363.08**	**-**	**5.05**	**(5.05)**
(ii) Other derivatives								
-Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Subtotal (ii)	**968.75**	**-**	**2.03**	**(2.03)**	**-**	**-**	**-**	**-**
Total derivative (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

(₹ in Crores)

Part II	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
- Currency derivatives	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
(ii) Undesignated derivatives								
-Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Total derivative financial instruments (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1.

(₹ in Crores)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2023						
Derivative asset	-	44.02	-	-	-	44.02
Derivative liabilities	1,331.83	2.03	-	-	1,331.83	2.03
Net Derivative Asset / (Liabilites)		**41.99**	-	-		**41.99**
As at March 31, 2022						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	363.08	5.05	-	-	363.08	5.05
Net Derivative Asset / (Liabilites)		(5.05)		-		**(5.05)**

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5.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Group is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 16.79 Crs. (March 31, 2022 USD 5.00 Crs.). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Group hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with a Derivative Forward Contract

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Group uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Notional amount	1,331.83	363.08
Carrying amount - Asset / (Liability)	41.99	(5.05)
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	10.04	9.61

(₹ In Crores)

Impact of hedging item	FY 2022-23	FY 2021-22
Change in fair value	10.04	9.61
Cash flow hedge reserve	12.60	9.61
Fair value change charged in Statement of Profit & Loss	(2.56)	-

(₹ In Crores)

Effect of Cash flow hedge	FY 2022-23	FY 2021-22
Total hedging gain / (loss) recognised in OCI	12.60	9.61
Total hedging gain / (loss) recognised in the statement of profit or (loss)	(2.56)	-

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
(Gain)/Loss On Swap Transaction	49.60	24.15
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(32.77)	(11.32)
Tax implication on above	(4.23)	(3.22)
Total	**12.60**	**9.61**

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
Gain/(Loss) On Swap Transaction	(0.53)	-
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	(2.03)	-
Tax implication on above	-	-
Total	**(2.56)**	-

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Note 6. Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
Receivables considered good - unsecured	47.42	36.61
Receivables which have significant increase in credit risk	0.10	0.38
Receivables - credit impaired	6.45	-
Total - gross	**53.97**	**36.99**
Less: Impairment loss allowance	(6.47)	(0.08)
Total	**47.50**	**36.91**

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.

Trade Receivables are not interest bearing.

Trade Receivables aging schedule

(₹ in Crores)

Particulars	Outstanding for following period from the date of transaction			Total
	Unbilled	Less than 6 Months	More than 6 Months	
As at March 31, 2023				
Undisputed Trade receivables – considered good.	2.34	45.08	-	47.42
Undisputed Trade receivables – significant increase in credit risk	-	0.06	0.04	0.10
Undisputed Trade receivables – credit impaired	-	-	6.45	6.45
As at March 31, 2022				
Undisputed Trade receivables – considered good.	2.58	34.03	-	36.61
Undisputed Trade receivables – significant increase in credit risk	-	0.38	-	0.38

Note 7. Loans

(₹ in Crores)

Particulars	As at March 31, 2023 Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	15,416.02	2,854.47	18,270.49
Total (A) - Gross	**15,416.02**	**2,854.47**	**18,270.49**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (A) - Net	**14,886.53**	**2,829.16**	**17,715.69**
(B)			
(i) Secured by tangible assets	15,266.01	2,853.75	18,119.76
(ii) Secured by Government Guarantee	144.39	0.72	145.11
(iii) Unsecured	5.62	-	5.62
Total (B) - Gross	**15,416.02**	**2,854.47**	**18,270.49**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (B) - Net	**14,886.53**	**2,829.16**	**17,715.69**
(C)			
Loans in India	**15,416.02**	**2,854.47**	**18,270.49**
(i) Public sector	-	-	-
(ii) Others	15,416.02	2,854.47	18,270.49
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (C) - Net	**14,886.53**	**2,829.16**	**17,715.69**

(₹ in Crores)

Particulars	As at March 31, 2022 Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	12,950.24	2,912.72	15,862.96
Total (A) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (A) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(B)			
(i) Secured by tangible assets	12,701.76	2,912.72	15,614.48
(ii) Secured by Government Guarantee	242.40	-	242.40
(iii) Unsecured	6.08	-	6.08
Total (B) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (B) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(C)			
(I) Loans in India	**12,950.24**	**2,912.72**	**15,862.96**
(i) Public sector	-	-	-
(ii) Others	12,950.24	2,912.72	15,862.96
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (C) - Net	**12,404.82**	**2,885.40**	**15,290.22**

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The above Term Loans includes ₹ 224.65 Crores, (as at March 31, 2022, ₹ 210.15 Crores.) towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Secured loans include loans aggregating in ₹ Nil (as at March 31, 2022, ₹ 0.63 Crores.) in respect of which the creation of security is under process.

Note 7.1:

The COVID-19 pandemic impacted economic activity during the last two fiscal years. Currently, while the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn COVID-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Group.

Note 7.2:

Reserve Bank of India (RBI), on November 12, 2021, had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22, allowing the company to put in place the necessary system to implement the provisions till 30 September 2022 and the same has been implemented by the Company.

Note 7.3:

The Group has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

Note 8. Investments

(₹ In Crores)

Particulars	As at March 31, 2023		
	FVTPL	At Amortised Cost	Total
(A)			
(i) Investments in Debt Securities	210.13	-	210.13
(ii) Investment in Other securities:			
(a) Alternate Investment Funds	161.44	-	161.44
(b) Pass through cetificates	-	7.61	7.61
(c) Certificate of Deposits	-	650.59	650.59
(d) Commercial Papers	-	397.42	397.42
Total – Gross (A)	**371.57**	**1,055.62**	**1,427.19**
(B)			
(i) Investments in India	371.57	1,055.62	1,427.19
Total (B)	**371.57**	**1,055.62**	**1,427.19**
(C)			
Less: Impairment loss allowance	-	-	-
Total- Net (A-C)	**371.57**	**1,055.62**	**1,427.19**

(₹ In Crores)

Particulars	As at March 31, 2022			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
(i) Investments in Associates	-	-	249.82	249.82
(ii) Investment in Other securities:				
(a) Alternate Investment Funds	144.00	-	-	144.00
(b) Pass through cetificates	-	9.59	-	9.59
Total – Gross (A)	**144.00**	**9.59**	**249.82**	**403.41**
(B)				
(i) Investments in India	144.00	9.59	249.82	403.41
Total (B)	**144.00**	**9.59**	**249.82**	**403.41**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**144.00**	**9.59**	**249.82**	**403.41**

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Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2023 Quantity (in actuals)	Carrying Value (₹ in Crores)
Investments in Debt Securities		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29My26 FV Rs 10Lac	22	2.25
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My25 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My31 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My23 FV Rs 2.5Lac	250	6.31
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My24 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My27 FV Rs10Lac	250	25.16
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My28 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My29 FV Rs 10Lac	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My30 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My32 FV Rs 10Lac	250	25.21
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	13,43,13,931	161.44
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	7.61
Certificate of Deposits:		-
Axis Bank Limited	500	24.79
Bank of Maharashtra CD 05Apr23	2,000	99.92
Bank of Maharashtra CD 12May23	1,000	49.60
Canara Bank CD 17Apr23	2,000	99.69
HDFC Bank Limited CD 13Apr23	2,000	99.77
HDFC Bank Limited CD 15May23	1,600	79.33
Punjab National Bank CD 18May23	2,000	99.09
Punjab National Bank	2,000	98.40
Commercial Papers:		
National Bank For Agriculture And Rural Development 90D CP 20Apr23	6,000	298.87
Small Industries Development Bank of India 91D CP 16Jun23	2,000	98.55

Particulars	As at March 31, 2022 Quantity	Carrying Value
Investments in Associates		
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	12,45,55,797	249.82
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	13,43,13,931	144.00
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	9.59

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Note 8.1.1 Equity Instruments in Associate

The Group's interest in IIFL Samasta Finance Limited is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of IIFL Samasta Finance Limited as included in its own financial statements.

(₹ In Crores)

Summarised balance sheet	As at March 31, 2023	As at March 31, 2022
Financial Assets	-	6,299.64
Non-financial Assets	-	94.79
Financial Liabilities	-	5,375.60
Non-financial Liabilities	-	19.55
Equity	-	999.28
Proportion of the Group's ownership	-	25%
Carrying amount of the investment excluding Capital Reserve	-	248.47
Capital Reserve	-	1.35
Carrying amount of the investment	-	249.82

(₹ In Crores)

Summarised statement of profit or loss	FY 2022-23	FY 2021-22
Total income	-	1,019.93
Total expenses	-	960.98
Profit / (loss) before tax	-	58.94
Tax expense	-	8.34
Profit / (loss) for the year/period	15.06	50.60
Total comprehensive income / (loss)	15.62	49.78
Share in profit / (loss) of associates	3.76	12.65
Share in profit / (loss) of associates in other comprehensive income	0.14	(0.21)

The associate had no significant contingent liabilities or capital commitments as at March 31, 2023 & March 31, 2022
The company has sold its complete shareholding in associate as on July 27, 2022

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
Opening Carrying amount of Investment	249.82	162.38
Add: Carrying amount of additional share of Investments	-	75.00
Add: Share of Total Comprehensive Income for the year (Net of dividend)	2.66	12.44
Sale of Investment*	(252.48)	-
Closing Carrying amount of Investment	-	249.82

* The amount pertains to carrying value of investment sold.

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Note 9. Other financial assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits		
- Unsecured, considered good	4.19	2.70
- Unsecured, considered doubtful	0.92	0.80
Less: Provisions (Refer Note 9.1 below)	(0.92)	(0.80)
Interest strip asset on assignment	375.59	303.05
Other receivables	74.37	52.07
Total	**454.15**	**357.82**

Note 9.1. Provision on Security Deposits

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.80	0.85
Additions	0.13	-
Reductions	(0.01)	(0.05)
Closing provision	**0.92**	**0.80**

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.65	(0.01)	-	0.64
Provisions for expected credit losses	128.13	(0.91)	-	127.22
Provision for employee benefits	1.64	0.91	0.12	2.67
Right of use of Assets and lease liabilities	0.67	0.05	-	0.72
Adjustment pertaining to income and expenses recognition based on effective interest rate	20.17	6.66	-	26.83
Total deferred tax assets (A)	**151.26**	**6.70**	**0.12**	**158.08**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(8.83)	8.83	-	-
Interest spread on assigned loans	(76.27)	(18.26)	-	(94.53)
Fair value of financial instruments	(3.23)	(3.45)	0.17	(6.51)
Fair value of derivative financial instruments	1.27	-	(12.47)	(11.20)
Total deferred tax liabilities (B)	**(87.06)**	**(12.88)**	**(12.30)**	**(112.24)**
Deferred tax assets (A+B)	**64.20**	**(6.18)**	**(12.18)**	**45.84**

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

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, plant and equipment	0.69	(0.04)	-	0.65
Provisions for expected credit losses	101.66	26.47	-	128.13
Provision for employee benefits	1.26	0.42	(0.04)	1.64
Fair value of derivative financial instruments	7.35	-	(6.08)	1.27
Right of use of Assets and lease liabilities	0.45	0.22	-	0.67
Adjustment pertaining to income and expenses recognition based on effective interest rate	16.19	3.98	-	20.17
Total deferred tax assets (A)	**127.60**	**31.05**	**(6.12)**	**152.53**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(7.66)	(1.17)	-	(8.83)
Interest spread on assigned loans	(49.96)	(26.31)	-	(76.27)
Fair value of financial instruments	0.20	-	(3.43)	(3.23)
Total deferred tax liabilities (B)	**(57.42)**	**(27.48)**	**(3.43)**	**(88.33)**
Deferred tax assets (A+B)	**70.18**	**3.57**	**(9.55)**	**64.20**

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Note 11A. Investment Property

(₹ In Crores)

Particulars	Building
As at April 01, 2021	7.48
Additions	-
Deductions/Adjustments	-
As at March 31, 2022	7.48
Additions	-
Deductions/Adjustments	4.73
As at March 31, 2023	2.75
Accumulated Depreciation	
As at April 01, 2021	0.48
Depreciation for the year	0.37
Deductions/Adjustments	-
As at March 31, 2022	0.85
Depreciation for the year	0.36
Deductions/Adjustments	0.75
As at March 31, 2023	0.46
Net Block as at March 31, 2022	6.63
Net Block as at March 31, 2023	2.29

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ In Crores)

Particulars	Building
As at April 01, 2021	8.68
Additions to fair value	-
Changes in the fair value (including sale)	0.10
As at March 31, 2022	8.78
Additions to fair value	-
Changes in the fair value (including sale)	5.10
As at March 31, 2023	3.68

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an Independent Un-registered Valuer. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used.

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Note 11A.2. Title deeds of Immovable Property not held in name of the Company
As at March 31, 2023

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	Building (3 Properties)	5.46	Borrowers to whom loans were given	No	Repossessed between June 2019 to December 2020	Properties repossessed under SARFAESI Act

As at March 31, 2022

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	4.73	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	Building (19 Properties)	9.70	Borrowers to whom loans were given	No	Repossessed between August 2017 to December 2020	Properties repossessed under SARFAESI Act

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

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Note 11B. Property, Plant and Equipment

(₹ in Crores)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
As at April 01, 2021	**0.09**	**1.23**	**0.81**	**0.64**	**5.21**	-	**7.98**
Additions	-	0.42	0.18	0.26	6.20	-	**7.07**
Deductions/Adjustments	-	0.12	0.04	0.12	1.14	-	**1.42**
As at March 31, 2022	**0.09**	**1.53**	**0.95**	**0.78**	**10.28**	-	**13.63**
Additions	-	0.22	0.15	0.64	4.61	0.69	**6.30**
Deductions/Adjustments	-	0.08	0.01	0.04	2.18	-	**2.31**
As at March 31, 2023	**0.09**	**1.67**	**1.09**	**1.38**	**12.71**	**0.69**	**17.64**
Accumulated Depreciation							
As at April 01, 2021	-	**0.75**	**0.50**	**0.40**	**3.84**	-	**5.49**
Depreciation for the year	-	0.30	0.15	0.22	1.80	-	**2.47**
Deductions/Adjustments	-	0.10	0.02	0.11	0.67	-	**0.90**
As at March 31, 2022	-	**0.95**	**0.63**	**0.51**	**4.97**	-	**7.06**
Depreciation for the year	-	0.26	0.15	0.21	2.85	0.05	**3.52**
Deductions/Adjustments	-	0.07	0.01	0.04	0.74	-	**0.86**
As at March 31, 2023	-	**1.14**	**0.77**	**0.68**	**7.08**	**0.05**	**9.73**
Net Block as at March 31, 2022	**0.09**	**0.58**	**0.32**	**0.27**	**5.31**	-	**6.57**
Net Block as at March 31, 2023	**0.09**	**0.53**	**0.32**	**0.70**	**5.63**	**0.64**	**7.91**

* The above Freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

Statement showing movement in lease liabilities

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at April 01, 2021	**14.45**	**0.45**	**14.90**
Additions	12.99	1.12	**14.11**
Deductions/Adjustments	-	-	-
Finance cost accrued during the year	1.47	0.08	**1.55**
Payment of lease liabilities	4.27	0.65	**4.92**
As at March 31, 2022	**24.64**	**1.00**	**25.64**
Additions	34.19	3.28	**37.47**
Deductions/Adjustments	0.80	0.06	**0.86**
Finance cost accrued during the year	3.42	0.18	**3.60**
Payment of lease liabilities	13.00	0.85	**13.85**
As at March 31, 2023	**48.45**	**3.55**	**52.00**

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Statement showing carrying value of right of use assets

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at April 01, 2021	13.18	0.39	13.57
Additions	13.26	1.12	14.38
Deductions/Adjustments	0.01	-	0.01
Depreciation	3.84	0.56	4.40
As at March 31, 2022	22.59	0.95	23.54
Additions	34.72	3.28	38.00
Deductions/Adjustments	0.75	0.07	0.82
Depreciation	9.74	0.76	10.50
As at March 31, 2023	46.82	3.40	50.22

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	15.11	6.24
Non- Current lease liabilities	36.89	19.40

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Due for		
Up to One year	19.33	7.55
One year to Two years	18.39	7.46
Two to Five years	17.89	12.25
More than Five years	7.33	6.04
Total	62.94	33.30

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Interest on lease liabilities	3.61	1.54
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.21	0.16
Total	3.82	1.70

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Statement showing amount recognised in Statement of Cash Flows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of interest on lease liabilities	3.61	1.38
Payment of lease liabilities	10.25	2.99
Total cash outflows for leases	**13.86**	**4.37**

Note 12B. Other Intangible Assets

(₹ in Crores)

Particulars	Computer Software
As at April 01, 2021	**1.00**
Additions	0.22
Deductions/Adjustments	-
As at March 31, 2022	**1.22**
Additions	0.47
Deductions/Adjustments	-
As at March 31, 2023	**1.69**
Accumulated Depreciation	
As at April 01, 2021	**0.87**
Depreciation For the year	0.17
Deductions/Adjustments	-
As at March 31, 2022	**1.04**
Depreciation For the year	0.21
Deductions/Adjustments	-
As at March 31, 2023	**1.25**
Net Block as at March 31, 2022	**0.18**
Net Block as at March 31, 2023	**0.44**

The Group has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

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Note 13. Other Non Financial Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	0.31	0.07
Prepaid Expenses	3.78	4.05
Others	2.11	0.56
Retirement benefit assets (Refer note 32.2)	-	0.10
Total	**6.20**	**4.78**

Note 14. Assets held for Sale

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale	5.46	9.70

Note 15. Trade Payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	3.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	48.37	50.94
Total	**51.38**	**50.94**

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Crores)

Particulars	FY 2022-2023	FY 2021-2022
(a) Principal amount remaining unpaid to any supplier at the year end	3.01	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Trade Payables aging schedule

(₹ in Crores)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 1 Year	
As at March 31, 2023			
(i) MSME	3.00	0.01	3.01
(ii) Others	45.46	2.91	48.37
As at March 31, 2022			
(i) MSME	-	-	-
(ii) Others	48.31	2.63	50.94

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

Note 16. Debt Securities

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	2,109.31	1,860.87
Zero Coupon Bonds -(Refer Note (a) and 16.1)	144.91	283.17
Total (A)	2,254.22	2,144.04
Unsecured:		
Commercial Paper - (Refer Note 16.1)	-	73.95
Total (B)	-	73.95
Total (A+B)	2,254.22	2,217.99
Debt securities in India	2,254.22	2,217.99
Debt securities outside India	-	-

a. The above Non Convertible Debentures and Bonds are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024) { As at March 31, 2022 ₹ 28.13 Crores (May 15, 2022), ₹ 15.00 Crores. (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024)}.

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Note 16.1 - Terms of repayment

(₹ In Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Secured NCD (A)				
(a) Fixed:				
More than 5 years	1,315.50	5% - 9.18%	1,360.51	5.00 % - 9.18%
3-5 Years	215.25	8.20% - 8.62%	208.25	8.20 % - 10.33%
1-3 Years	535.72	8.25% - 10.33%	225.72	8.25%
Less than 1 year	42.84	5% - 10.33%	37.32	5.00% - 9.87%
Sub-Total (a)	2,109.31		1,831.80	
(b) Floating:				
More than 5 years	-	-	-	-
3-5 Years	-	-	-	-
1-3 Years	-	-	-	-
Less than 1 year	-	-	29.07	7.51%
Sub-Total (b)	-		29.07	
Total Secured NCD (A)	2,109.31		1,860.87	

(₹ In Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Yield	Amount	Yield
Secured Zero Coupon (B)				
More than 5 years	6.15	8.75%	3.71	8.75%
3-5 Years	4.72	8.50%	4.25	8.50%
1-3 Years	134.04	8.25% - 10.30%	120.85	8.25% - 10.30%
Less than 1 year	-	-	154.36	9.35% - 9.55 %
Total Secured Zero Coupon (B)	144.91		283.17	

(₹ In Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured (B)				
Commercial Paper				
Less than 1 year	-	-	73.95	6.30% - 6.35%
Total (A+B)	-		73.95	

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Note 16.2(a) - Security wise details of Secured NCD

(₹ In Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	-	29.80
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	-	28.12
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche Ii. Date Of Maturity 03/01/2025	8.25%	225.72	225.72
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	15.00	15.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity 31/03/2026	8.50%	280.00	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity 28/09/2026	8.20%	112.00	112.00
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iii Tranche Ii. Date Of Maturity 03/01/2027	8.20%	52.65	52.65
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iv Tranche Ii. Date Of Maturity 03/01/2027	8.50%	13.60	13.60
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	18.00	18.00
8.62% Secured Redeemable Non Convertible Debentures. Series.Series D4. Maturity Date: 12/03/2028	8.62%	19.00	19.00
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vi Tranche Ii. Date Of Maturity 03/01/2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	22.18	22.18
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity 16/04/2029	8.70%	36.00	36.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030	8.59%	433.30	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity 14/05/2030	8.70%	109.00	109.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030	8.69%	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad Ii. Date Of Maturity 28/02/2031	5.00%	74.70	74.70
Total		2,079.89	1,857.81

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 16.2(b) - Security wise details of Secured Zero Coupon Bond

(₹ In Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	-	24.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	-	58.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	51.30	50.19
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	20.00	20.00
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity 03/01/2025	8.25%	26.73	26.73
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity 03/01/2027	8.50%	4.25	4.25
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	5.53	5.53
Total		107.81	188.70

Note: Statement showing contractual principal outstanding of Secured Zero Coupon Bond

Note 17. Borrowings (other than debt securities)

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	7,676.51	6,924.94
(ii) from NHB (Refer Note (a), (b) and 17.2)	3,085.44	2,763.71
(iii) from Financial Institution (Refer Note (b) and 17.3)	678.89	826.99
(b) Securitisation Liability (Refer Note 17.4)	179.68	417.29
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	0.15	12.00
Total	11,620.67	10,944.93
Borrowings in India*	11,198.53	10,555.82
Borrowings outside India	422.14	389.11
Total	11,620.67	10,944.93

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 200.00 Crores. (March 31, 2022 ₹ 53.33 Crores.) and Refinance Facility from NHB amounting to ₹ 564.94 Crores. (March 31, 2022 ₹ 792.16 Crores.) are also guaranteed by Holding Company i.e. IIFL Finance Limited

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

* This includes FCNB borrowings amounting to ₹ 972.39 Crores (P.Y. Nil).

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	1,249.63	7.70% - 9.00%	957.99	7.70 % - 9.50 %
3- 5 Years	1,555.15	7.70% - 9.55%	1,280.57	7.70 % - 9.50 %
1-3 Years	2,487.03	7.70% - 9.55%	2,697.24	7.40 % - 10.00%
Less than 1 year	2,384.70	7.70% - 9.70%	1,989.14	7.35% - 10.00%
Total	7,676.51		6,924.94	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	783.14	2.80% - 7.90%	652.64	2.94 % - 6.85 %
3- 5 Years	723.32	2.80% - 7.90%	594.15	2.94 % - 6.18 %
1-3 Years	1,092.71	2.80% - 8.40%	1,039.94	2.94 % - 6.18 %
Less than 1 year	486.27	2.80% - 8.40%	476.98	2.94 % - 8.80 %
Total	3,085.44		2,763.71	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	315.70	9.10%	438.52	8.50 % - 9.00 %
3- 5 Years	166.63	9.10%	178.27	8.50 % - 9.00 %
1-3 Years	140.08	9.10%	149.65	8.50 % - 9.00 %
Less than 1 year	56.48	9.10%	60.55	8.50 % - 9.00 %
Total	678.89		826.99	

Note 17.4 - Terms of repayment of other loans

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	0.15	6.35%	12.00	7.20%
Securitisation Liability (B)				
More than 5 years	143.06	7.30% - 8.05%	318.95	6.35% - 7.80%
3- 5 Years	15.22	7.30% - 8.05%	39.16	6.35% - 7.80%
1-3 Years	14.56	7.30% - 8.05%	44.26	6.35% - 7.80%
Less than 1 year	6.84	7.30% - 8.05%	14.92	6.35% - 7.80%
Sub-Total - Securitisation Liability	179.68		417.29	
Total (A+B)	179.83		429.29	

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Note 18. Subordinated liabilities

(₹ in Crores)

Particulars	At Amortised Cost As at March 31, 2023	As at March 31, 2022
Non-convertible debentures - Unsecured	886.46	884.66
Zero Coupon Bonds - Unsecured	191.85	173.03
Total	1,078.31	1,057.69
Subordinated Liabilities in India	1,078.31	1,057.69
Subordinated Liabilities outside India	-	-
Total	1,078.31	1,057.69

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores. (from February 28, 2024), ₹ 126.52 Crores. (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores. (from July 14, 2025) (as at March 31, 2022 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores. (from February 28, 2024), ₹ 126.52 Crores. (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores. (from July 14, 2025)).

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Crores)

Residual Maturity	As at March 31, 2023 Amount	As at March 31, 2023 Rate of Interest	As at March 31, 2022 Amount	As at March 31, 2022 Rate of Interest
(a) Fixed:				
More than 5 years	706.14	9.60% - 10.02%	806.75	8.85% - 10.02%
3-5 Years	85.00	8.85% - 9.05%	-	-
1-3 Years	-	-	65.00	8.93% - 9.30%
Less than 1 year	93.32	8.93% - 9.30%	12.91	8.51% - 9.60%
Total Non-convertible debentures - Unsecured	886.46		884.66	

Residual Maturity	As at March 31, 2023 Amount	As at March 31, 2023 Yield	As at March 31, 2022 Amount	As at March 31, 2022 Yield
(b) Zero Coupon:				
More than 5 years	191.85	9.40%	173.03	9.40%
Total (a+b)	191.85		173.03	

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2023, 92% (P.Y. 95%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2(a) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	50.00	50.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series UoS. Date Of Maturity 29/05/2023	9.30%	15.00	15.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	75.00	75.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	10.00	10.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	40.00	40.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	30.00	30.00
10% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity: 03/11/2028	10.00%	232.72	232.72
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Ii.Date Of Maturity : 03/11/2028	9.60%	382.82	382.82
Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Iii.Date Of Maturity : 03/11/2028	10.02%	40.28	40.28
Total Zero Coupon		875.82	875.82

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 18.2(b) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	126.30	126.52
Total		126.30	126.52

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

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Note 19. Other Financial Liabilities

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Book overdraft*	778.85	746.81
Unclaimed interest and redemption proceeds of NCDs**	4.67	1.24
Other Payables#	119.60	196.40
Total	903.12	944.45

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.09 Crores. (P.Y. ₹ 0.18 Crores.) to the Investor Education and Protection Fund (IEPF). As of March 31, 2023, ₹ 0.00 Crores. (P.Y.₹ 0.01 Crores) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crores. (P.Y. ₹ 0.04 Crores).

2. For the financial year ending March 31, 2022, in accordance with RBI notification dated April 7, 2021, the Company was required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest was circulated by the Indian Banks' Association. The Company had suitably implemented this methodology. As at March 31, 2022 the Company created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits		
-Provision for Leave Encashment	7.62	5.52
-Provision for Gratuity (Refer 32.2)	0.82	0.05
-Provision for Bonus	11.78	8.70
Total	20.22	14.27

Note 20.1. Provision for Leave Encashment

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	5.52	4.78
Additions	3.34	1.83
Reductions	(1.24)	(1.09)
Closing provision	7.62	5.52

Note 20.2. Provision for Gratuity

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	(0.05)	(0.59)
Additions	2.48	1.70
Reductions	(1.61)	(1.16)
Closing provision	0.82	(0.05)

Note 20.3. Provision for Bonus

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	8.70	7.80
Additions	11.78	8.70
Reductions	(8.70)	(7.80)
Closing provision	11.78	8.70

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Note 21. Other Non Financial Liabilities

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	10.25	11.36
Unspent CSR (Refer note no 38A)	5.20	3.03
Advances from borrowers	245.55	37.08
Income received in advance	0.00	0.01
Total	261.00	51.48

Note 22. Equity

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

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2022 - 152,000,000)	152.00	152.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2022 20,000,000)	20.00	20.00
Total	172.00	172.00
Issued, Subscribed and Paid Up		
Equity Share Capital		
26,344,638 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2022 - 20,968,181)	26.34	20.97
Total	26.34	20.97

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

(₹ In Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,09,68,181	20.97	2,09,68,181	20.97
Add: Issued during the year	53,76,457	5.37	-	-
Outstanding at the end of the year	2,63,44,638	26.34	2,09,68,181	20.97

During the year the Company has allotted 5,376,457 equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share

(c) Terms/rights attached to equity shares:
The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.
In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (holding company) and its nominees	2,09,68,181	79.59%	2,09,68,181	100%
Platinum Owl C 2018 RSC Limited	53,76,457	20.41%	-	-

(e) During the period of five years immediately preceding the Balance Sheet date, the Group has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2023	IIFL Finance Limited	2,09,68,181	79.59%	-20.41%
As at March 31, 2022	IIFL Finance Limited	2,09,68,181	100.00%	-

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 500 shares (P.Y. 600 shares).

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

23. Other Equity

1. As at March 31, 2023

(₹ in Crores)

Particulars	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Other Comprehensive Income: Re-measurement of Actuarial Gains and Losses	Other Comprehensive Income: Effective portion of Cash Flow Hedges	Other Comprehensive Income: Fair value of loans carried at FVTOCI	Total	Non-Controlling Interest
Balance at the beginning of the current reporting year	1.35	799.16	143.86	402.97	1,333.56	(0.80)	(7.03)	9.65	2,682.72	-
Additions during the year (Refer Note 1)	-	2,194.62	-	-	-	-	-	-	2,194.62	-
Share issue expenses (Refer Note 1)	-	(24.13)	-	-	-	-	-	-	(24.13)	-
Profit for the year	-	-	-	-	768.12	-	-	-	768.12	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	12.60	-	12.60	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.22)	-	-	(0.22)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(105.38)	-	-	-	(105.38)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	158.10	(158.10)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	(0.56)	(0.56)	-
Balance at the end of the Current reporting year	1.35	2,969.65	143.86	561.07	1,838.20	(1.02)	5.57	9.09	5,527.77	-

2. As at March 31, 2022

(₹ in Crores)

Particulars	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Other Comprehensive Income: Re-measurement of Actuarial Gains and Losses	Other Comprehensive Income: Effective portion of Cash Flow Hedges	Other Comprehensive Income: Fair value of loans carried at FVTOCI	Total	Non-Controlling Interest
Balance at the beginning of the Previous reporting year	1.35	799.16	143.86	287.37	918.62	(0.67)	(16.64)	(0.57)	2,132.48	-
Profit for the year	-	-	-	-	593.44	-	-	-	593.44	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	-	9.61	-	9.61	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	-	(0.13)	-	-	(0.13)	-
Equity Dividend (Refer Note 4)	-	-	-	-	(62.90)	-	-	-	(62.90)	-
Transfer to Special Reserve (Refer Note 5)	-	-	-	115.60	(115.60)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	10.22	10.22	-
Balance at the end of the Previous reporting year	1.35	799.16	143.86	402.97	1,333.56	(0.80)	(7.03)	9.65	2,682.72	-

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crores. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crores has been charged to securities premium account.
2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40/- per equity share (P.Y. ₹ 30/-).
5. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

Note 24. Interest Income

(₹ in Crores)

Particulars	FY 2022-23 On Financial Assets measured at FVTOCI	FY 2022-23 On Financial Assets measured at Amortised Cost	Total
Interest on Loans	232.15	1,925.39	2,157.54
Interest income from investments	-	41.63	41.63
Interest on inter corporate deposits	-	11.15	11.15
Interest on deposits with Banks	-	66.03	66.03
Total	232.15	2,044.20	2,276.35

(₹ in Crores)

Particulars	FY 2021-22 On Financial Assets measured at FVTOCI	FY 2021-22 On Financial Assets measured at Amortised Cost	Total
Interest on Loans	209.87	1,646.81	1,856.68
Interest income from investments	-	0.90	0.90
Interest on inter corporate deposits	-	0.01	0.01
Interest on deposits with Banks	-	19.19	19.19
Total	209.87	1,666.91	1,876.78

Note 25. Fees and Commission Income

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Fees & Other Charges	85.81	61.70
Insurance & Distribution Commission	28.67	15.26
Total	114.48	76.96

Note 26. Net Gain on Fair Value Changes

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Net gain on financial instruments at FVTPL		
On trading portfolio		
- Investments	59.65	6.32
Total Net gain on fair value changes	59.65	6.32
Fair Value changes:		
-Realised	45.92	6.32
-Unrealised	13.73	-
Total Net gain on fair value changes	59.65	6.32

Note 27 Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Foreclosure of loans	12.13	7.10
Bad debts recovery	28.68	3.82
Total	40.81	10.92

Note 28 Net gain on derecognition of financial instruments under FVTOCI

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Assignment of loans	72.54	104.56
Foreclosure of loans	11.48	11.32
Total	84.02	115.88

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Note 29. Other Income

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Profit on sale of Assets	-	1.53
Marketing, advertisement and support service fees	156.11	139.60
Interest on Income Tax Refund	-	0.68
Total	**156.11**	**141.81**

Note 30. Finance Costs

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2022-23	FY 2021-22
Interest on inter-corporate deposits	-	20.23
Interest on borrowings (other than debt securities)	880.46	795.77
Interest on debt securities	172.18	146.44
Interest on subordinated liabilities	101.19	80.16
Other interest expense		
Interest on lease liabilities	3.61	1.54
Other borrowing cost	26.02	18.50
Total	**1,183.46**	**1,062.64**

Statement showing exchange fluctuation on account of foreign currency borrowings:

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Revaluation Gain/(Loss) on Foreign currency loan	(35.33)	(11.32)
Recognised in Other Comprehensive Income	32.77	11.32
Recognised in Statement of Profit and Loss	(2.56)	-

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Crores)

Particulars	FY 2022-23		
		On Financial Assets measured at	
	FVTOCI	Amortised Cost	Total
Loans	(2.00)	(1.60)	(3.60)
Bad debts written off	-	170.33	170.33
Total	**(2.00)**	**168.73**	**166.73**

(₹ in Crores)

Particulars	FY 2021-22		
		On Financial Assets measured at	
	FVTOCI	Amortised Cost	Total
Loans	1.67	103.49	105.16
Bad debts written off	-	54.84	54.84
Total	**1.67**	**158.33**	**160.00**

Note 32. Employee Benefits Expenses

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Salaries and wages	242.04	160.48
Contribution to provident and other funds (Refer Note 32.1)	10.52	6.41
Leave Encashment	3.29	1.73
Gratuity (Refer Note 32.2)	1.93	1.64
Staff welfare expenses#	5.26	3.92
Total	**263.04**	**174.18**

#The Group company i.e. IIFL Finance Limited and IIFL Securities Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 0.49 Crores. (P.Y. ₹ 1.13 Crores. paid to Group companies i.e. IIFL Finance Limited and IIFL Securities Limited) during the year on account of such costs and the same is forming part of Employee benefit expenses.

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32.1 Defined Contribution Plans:

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

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Contribution to Provident fund	5.11	3.32
Contribution to ESIC	0.62	0.42
Contribution to Labour Welfare Fund	0.04	0.03
Group contribution to EPS	4.43	2.41
Group contribution to NPS	0.32	0.23
Total	**10.52**	**6.41**

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

Particulars	FY 2022-23	FY 2021-22
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Year	01-04-22	01-04-21
Date of Reporting	31-03-23	31-03-22
Period of Reporting	12 Months	12 Months

Assumptions (Current Year)

Particulars	FY 2022-23	FY 2021-22
Expected Return on Plan Assets	7.46%	6.98%
Rate of Discounting	7.39%-7.46%	6.98%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.45	8.21
Interest Cost	0.66	0.56
Current Service Cost	1.94	1.69
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.07	0.05
Liability Transferred Out/ Divestment	(0.06)	(0.08)
Benefit Paid Directly by the Employer	-	(0.00)
Benefit Paid From the Fund	(0.81)	(0.62)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.90)	(0.21)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.09	(0.14)
Present Value of Benefit Obligation at the End of the Year	**11.43**	**9.45**

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Table Showing Change in the Fair Value of Plan Assets

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
Fair Value of Plan Assets at the Beginning of the Year	9.50	8.80
Interest Income	0.66	0.60
Contributions by the Employer	1.55	0.96
Benefit Paid from the Fund	(0.81)	(0.62)
Return on Plan Assets, Excluding Interest Income	(0.29)	(0.24)
Fair Value of Plan Assets at the End of the Year	**10.61**	**9.50**

Amount Recognised in the Balance Sheet

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the end of the Year	11.43	9.45
Fair Value of Plan Assets at the end of the Year	10.61	9.50
Funded Status Surplus/ (Deficit)	(0.82)	0.05
Net (Liability)/Asset Recognised in the Balance Sheet	**(0.82)**	**0.05**

Net Interest Cost

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.45	8.21
Fair Value of Plan Assets at the Beginning of the Year	(9.50)	(8.80)
Net Liability/(Asset) at the Beginning of the Year	**(0.05)**	**(0.59)**
Interest Cost	0.65	0.56
Interest Income	(0.66)	(0.60)
Net Interest Cost	**(0.01)**	**(0.04)**

Expenses Recognised in the Statement of Profit and Loss

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
Current Service Cost	1.94	1.69
Net Interest Cost	(0.01)	(0.04)
Past Service Cost	-	-
Expenses Recognised	**1.93**	**1.65**

One of our subsidiary Company i.e. IIHFL Sales Limited has provided gratuity on a full liability basis.

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ In Crores)

Particulars	FY 2022-23	FY 2021-22
Actuarial (Gains)/Losses on Obligation For the Year	0.19	(0.35)
Return on Plan Assets, Excluding Interest Income	0.29	0.24
Net (Income)/Expense For the Year Recognised in OCI	**0.48**	**(0.11)**

Balance Sheet Reconciliation

(₹ In Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	(0.05)	(0.59)
Expenses Recognised in Statement of Profit and Loss	1.93	1.65
Expenses Recognised in OCI	0.48	(0.11)
Net Liability/(Asset) Transfer In	0.07	0.05
Net (Liability)/Asset Transfer Out	(0.06)	(0.08)
Benefit Paid directly by the Employer	-	(0.00)
Employer's Contribution	(1.55)	(0.96)
Net Liability/(Asset) Recognised in the Balance Sheet	**0.82**	**(0.05)**

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Category of Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance policy	10.61	9.50
Total	**10.61**	**9.50**

Other Details

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Prescribed Contribution For Next Year (12 Months)	2.87	1.76

Net Interest Cost for Next Year

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the End of the Year	11.43	9.45
Fair Value of Plan Assets at the End of the Year	(10.61)	(9.50)
Net Liability/(Asset) at the End of the Year	**0.82**	**(0.05)**
Interest Cost	0.84	0.65
Interest Income	(0.79)	(0.66)
Net Interest Cost for Next Year	**0.05**	**(0.01)**

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

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Current Service Cost	2.38	1.86
Net Interest Cost	0.06	(0.01)
Expenses Recognised	**2.49**	**1.85**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.60	0.08
2nd Following Year	0.13	0.09
3rd Following Year	0.14	0.11
4th Following Year	0.17	0.12
5th Following Year	0.18	0.15
Sum of Years 6 To 10	1.40	1.04
Sum of Years 11 and above	42.80	35.46

Sensitivity Analysis

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Projected Benefit Obligation on Current Assumptions	11.42	9.39
Delta Effect of +1% Change in Rate of Discounting	(1.69)	(1.47)
Delta Effect of -1% Change in Rate of Discounting	1.93	1.81
Delta Effect of +1% Change in Rate of Salary Increase	1.47	1.29
Delta Effect of -1% Change in Rate of Salary Increase	(1.29)	(1.15)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.10)	(0.21)
Delta Effect of -1% Change in Rate of Employee Turnover	0.11	0.23

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Above includes one of our subsidary i.e IIHFL Sales Ltd where gratuity is unfunded.

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Note 33. Other Expenses

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Advertisement	7.50	4.35
Loan processing expenses	1.40	3.99
Marketing expenses	5.71	4.77
Bank charges	2.03	1.32
Communication	1.29	1.39
Electricity	2.22	1.57
Rating and custodian fees	1.34	1.14
Legal & professional fees	27.23	16.19
Commission & sitting fees	0.70	0.53
Miscellaneous expenses	0.43	0.63
Office expenses	13.04	7.43
Postage & courier	1.70	1.40
Printing & stationary	1.50	1.59
Rates & taxes	0.02	0.03
Rent	6.56	4.51
Repairs & maintenance	1.03	0.72
Payments to auditors*	0.88	0.66
Software charges	10.42	6.08
Security expenses	1.52	1.65
Travelling & conveyance	9.12	4.40
Corporate Social Responsibility (CSR) Expenses (Refer note 38A)	13.10	10.57
Loss on sale of assets	0.94	0.03
Total	109.68	74.95

*Payments to auditors

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Audit Fees	0.39	0.34
Limited Reviews	0.15	0.11
Other matters and certification	0.27	0.18
Out of Pocket Expenses	0.07	0.03
Total as per Statement of Profit and Loss	**0.88**	**0.66**
Amount paid towards certification required under for its Public Issue of Non Convertible Debentures which has been amortised using Effective Interest Rate Method over the tenure of the debenture	-	0.76
Total	**0.88**	**1.42**

Note 34. Income taxes

Amounts recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Current tax expense		
Current year	230.77	171.20
Tax of earlier years	(0.79)	1.33
Deferred tax expense		
Origination and reversal of temporary differences	6.18	(3.57)
Total	**236.16**	**168.96**

Reconciliation of total tax expense

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Profit before tax	1,000.52	749.75
Tax using the domestic tax rate	251.81	188.70
Tax effect of:		
Non-deductible expenses	12.75	2.83
Tax-exempt income	(26.27)	(24.16)
Tax on Dividend	(0.31)	-
Adjustments for current tax for prior periods	(0.79)	1.33
Losses for which no deferred tax asset is recognised	(1.34)	-
De-Recognition of previously recognised deductible temporary differences	0.31	0.26
Total income tax expense	**236.16**	**168.96**

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Note 35. Earnings Per Share:

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

(₹ in Crores)

Particulars		FY 2022-23	FY 2021-22
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	768.12	593.44
Weighted Average Number of Equity Shares Outstanding	B	2,42,38,245	2,09,68,181
Basic EPS (In ₹) (i)	A/B	**316.90**	**283.02**
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS	C	2,42,38,245	2,09,68,181
Diluted EPS (In ₹) (i)	A/C	**316.90**	**283.02**

Note 36. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 2,098.41 Crores. (P.Y. ₹ 1,689.56 Crores.);
(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 1.54 Crores. (P.Y. Nil).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.19 Crores. (P.Y. ₹ 0.16 Crores.).
(ii) Contingent liability on account of Income Tax Dispute and on account of GST is ₹ 7.28 Crores. (P.Y. ₹ Nil) and ₹ 0.19 Crores. (P.Y. ₹ Nil) respectively.
(iii) Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 79.95 Crores. and ₹ 23.34 Crores. respectively (P.Y. ₹ 195.67 Crores. and ₹ 23.34 Crores.).

Note 37. Disclosure as per Ind AS -108 "Operating Segments"

The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

Note 38A. Corporate Social Responsibility

The Group was required to spend ₹ 13.10 crores. (P.Y. ₹ 10.50 crores.) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ in Crores)

Particulars	FY 2022-2023		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	7.90	5.20	13.10
(b) Shortfall at the end of the year*	-	5.20	5.20
(c) Total of previous years shortfall	3.03	-	3.03
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	10.93	5.20	16.13

*During the year, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2023 resulting in shortfall. The unspent amount has been transferred to a separate Bank account in two tranches one on April 17, 2023 and second on April 20, 2023 will be spent during the FY 2023-24.

(₹ in Crores)

Particulars	FY 2021-2022		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	7.54	3.03	10.57
(b) Shortfall at the end of the year*	-	3.03	3.03
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.54	3.03	10.57

**During the FY 2021-22, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 08, 2022 and was spent during the FY 2022-23.

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Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. Details of Benami Property held: There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. Additional information where borrowings are from banks or financial institutions:

(i) The revised quarterly returns and statements of current assets filed by the Group with banks or financial institutions for the quarter ended June 2022, September 2022 and December 2022 are in agreement with the books of accounts. Further for quarter ended March 2023 the Group has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. Wilful Defaulter: The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. Relationship with Struck off Companies : During the year, the Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ in Crores)

Name of the struck off Company	Balance outstanding as at		Relationship with Struck off Group
	March 31, 2023	March 31, 2022	
Loans:			
Jasmin Infraproject Group Private Limited	0.49	0.51	No
Grand Casa Developers Private Limited	-	0.14	No
Goleaquarius Drinking Water Private Limited	-	0.04	No
Creative Pulse Marketing Private Limited	0.12	0.12	No
Beauty Channel Salon & Spa Private Limited	1.45	1.46	No

e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

Particulars	March 31, 2023	March 31, 2022
Capital to risk-weighted assets ratio (CRAR) (%)	47.28	30.48
Tier I CRAR (%)	39.24	21.10
Tier II CRAR (%)	8.04	9.38
Liquidity Coverage Ratio (%)	277.26	1079.22

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

h. Compliance with approved Scheme(s) of Arrangements: NA

i. Utilisation of Borrowed funds and share premium:

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

k. Details of Crypto Currency or Virtual Currency: The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l. Capital work in progress (CWIP) and Intangible asset: The Group does not have any CWIP and Intangible asset under development.

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Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Group's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

Financial Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Group being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

The Group has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

39 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Company monitors its portfolio, based on product, underlying security and credit risk characteristics.

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39 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Group has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run.

The Group applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation of sustained inflation coupled with rise in interest rates and at the backdrop of COVID-19 pandemic, additional Management overlay has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The Group categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Group collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due and other cases basis regulatory guidelines] The Group identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Group evaluates risk based on staging which are as follows:

(₹ In Crores)

Risk Categorisation	As at March 31, 2023	As at March 31, 2022
Stage 1	16,741.88	14,511.16
Stage 2	1,087.18	963.10
Stage 3	441.43	388.70
Total	18,270.49	15,862.96

Financial Assets measured at Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies, Trade Receivables, Investments and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Group created provisions on the above mentioned financial assets basis the default expectations.

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2023

39 A.1(II) Credit quality analysis

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

(₹ In Crores)

As at March 31, 2023					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	1,635.21	1,635.21
Bank Balance other than above	-	-	-	359.29	359.29
Receivables					
(i) Trade Receivables	-	-	-	53.97	53.97
Loans at FVTOCI	2,854.47	-	-	-	2,854.47
Loans at amortised cost	13,887.41	1,087.18	441.43	-	15,416.02
Investments at Amortised Cost				1,055.62	1,055.62
Other Financial assets	-	-	-	455.07	455.07

(₹ In Crores)

As at March 31, 2022					
Particulars	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	1,399.62	1,399.62
Bank Balance other than above	-	-	-	433.29	433.29
Receivables					
(i) Trade Receivables	-	-	-	36.99	36.99
Loans at FVTOCI	2,912.72	-	-	-	2,912.72
Loans at amortised cost	11,598.44	963.10	388.70	-	12,950.24
Investments at Amortised Cost				- 9.59	9.59
Other Financial assets	-	-	-	358.62	358.62

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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument
Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD April 01, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**
New Loans Disbursed during the year	7,362.55	1,430.99	66.18	6.06	8.38	0.52	**7,437.11**	**1,437.58**
Loan Derecognised	(3,702.60)	(220.63)	(120.99)	(11.90)	(175.43)	(50.28)	**(3,999.02)**	**(282.81)**
Movement in Stages	-	-	-	-	-	-		-
From Stage 1	(843.81)	(53.27)	662.32	41.18	181.49	12.09	-	-
From Stage 2	357.91	25.58	(466.33)	(34.47)	108.42	8.89	-	-
From Stage 3	33.56	3.94	16.13	1.34	(49.69)	(5.27)	-	-
Loans Repaid in part or full	(993.30)	(721.05)	(40.17)	1.22	(11.45)	25.07	**(1,044.92)**	**(694.76)**
Closing EAD March 31, 2023	**16,623.18**	**2,189.03**	**1,044.74**	**70.52**	**378.01**	**63.42**	**18,045.93**	**2,322.97**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,098.41 Crores (As at March 31, 2022 ₹ 1,652.76 Crores)

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2021	**13,661.99**	**1,490.78**	**900.51**	**71.82**	**269.49**	**60.32**	**14,831.99**	**1,622.92**
New Loans Disbursed during the year	8,260.50	-	40.91	-	10.44	-	**8,311.85**	-
Loan Derecognised	(3,796.63)	(45.23)	(80.97)	(11.07)	(98.36)	(21.07)	**(3,975.96)**	**(77.37)**
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(724.62)	(52.92)	596.80	42.68	127.82	10.24	-	**0.00**
From Stage 2	286.49	24.08	(333.44)	(27.72)	46.95	3.64	-	**(0.00)**
From Stage 3	32.01	5.12	5.28	0.48	(37.28)	(5.60)	**0.01**	-
Loans Repaid in part or full	(3,310.87)	301.44	(201.49)	(9.04)	(2.77)	24.76	**(3,515.13)**	**317.16**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	0.20	-	(0.06)	-	0.11	-	**0.25**
Closing EAD March 31, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 1,652.76 Crores

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Loss Allowances

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL April 01, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**
New Loans Disbursed during the year	88.38	12.52	3.17	0.32	2.49	0.63	**94.05**	**13.47**
Loan Derecognised	(43.74)	(1.09)	(16.44)	(1.44)	(67.04)	(50.54)	**(127.23)**	**(53.07)**
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(34.13)	(0.47)	24.28	0.40	9.84	0.07	-	**0.00**
From Stage 2	57.65	2.37	(72.21)	(3.24)	14.56	0.87	-	**(0.00)**
From Stage 3	12.66	3.88	6.10	1.32	(18.76)	(5.20)	-	-
Loans Repaid in part or full	(67.91)	(6.19)	35.62	2.59	43.88	46.22	**11.58**	**42.62**
Closing ECL March 31, 2023	**245.24**	**20.54**	**112.80**	**7.26**	**103.92**	**65.06**	**461.96**	**92.86**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 18.88 Crores (As at March 31, 2022 ₹ 7.67 Crores).

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2021	**201.95**	**10.76**	**81.38**	**5.11**	**99.40**	**60.86**	**382.73**	**76.73**
New Loans Disbursed during the year	66.00	5.05	4.68	0.28	3.72	0.65	74.40	5.98
Loan Derecognised	(25.24)	(0.79)	(5.67)	(0.33)	(37.51)	(21.18)	(68.42)	(22.30)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(25.84)	(0.42)	20.61	0.35	5.23	0.08	-	0.01
From Stage 2	17.47	0.77	(23.13)	(1.26)	5.66	0.48	-	(0.01)
From Stage 3	11.29	5.12	1.84	0.49	(13.13)	(5.61)	-	-
Loans Repaid in part or full	(13.30)	(10.96)	52.57	2.67	55.57	37.72	94.84	29.43
Closing ECL March 31, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 7.67 Crores

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39 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

The Company's Loan outstanding from Borrowers residing across 5 various states of India is 57% (P.Y. 62%).

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Write off	170.33	54.84

39 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Amortised Cost of Modified Assets at the time of modification	-	486.55
Modification (Gain)/Loss for the year	-	0.26

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Modified financial assets	614.61	627.79

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification "Resolution Framework for COVID-19-related Stress".

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39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Group has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	51.38	51.38	-	-	-	-	-
Finance Lease Obligation*	62.93	4.83	4.85	9.64	28.52	7.76	7.33
Debt Securities	2,254.22	17.98	8.65	16.22	669.76	219.97	1,321.64
Borrowings (Other than Debt Securities)	11,620.67	656.89	1,011.93	1,265.63	3,734.38	2,460.32	2,491.52
Subordinated Liabilities	1,078.31	68.10	25.13	0.08	-	85.00	900.00
Other financial liabilities	903.12	903.12	-	-	-	-	-

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2022	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	5.05	-	-	-	5.05	-	-
Trade Payables	50.94	50.94	-	-	-	-	-
Finance Lease Obligation*	33.29	1.92	1.89	3.74	13.62	6.09	6.04
Debt Securities	2,217.99	195.22	88.69	10.78	346.57	212.50	1,364.23
Borrowings (Other than Debt Securities)	10,944.93	564.41	680.57	1,308.63	3,952.99	2,070.25	2,368.08
Subordinated Liabilities	1,057.69	3.11	9.72	0.08	65.00	-	979.78
Other financial liabilities	944.45	944.45	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

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39 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

39 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Group's Net Interest Income.

Total Borrowings of the Group are as follows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	8,535.24	8,210.30
Fixed rate borrowings	6,417.97	6,010.31
Total borrowings	**14,953.21**	**14,220.61**

As at the end of the reporting year, the Group had the following floating rate borrowings:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.72%	8,535.24	57.08%	8.19%	8,181.22	57.53%
Non Convertible Debentures	-	-	-	7.37%	29.08	0.20%
Net exposure to cash flow interest rate risk		**8,535.24**	**57.08%**		**8,210.30**	**57.75%**

An analysis by maturities is provided in note 39 A 2(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

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As at the end of the reporting year, the Group had the following cross currency interest rate swap contracts/ forward contracts outstanding:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps and Forward Contracts	8.97%	1,394.53	9.33%	9.36%	387.64	2.73%

The Group had following floating rate loans and advances outstanding:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	12.93%	18,270.49	100.00%	11.44%	15,862.96	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Crores)

Particulars	Impact on profit after tax and equity		Impact on other components of equity	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Interest rates – increase by 30 basis points (30 bps) *	(19.16)	(18.43)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	19.16	18.43	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Crores)

Particulars	Impact on profit after tax and equity	
	FY 2022-23	FY 2021-22
Interest rates – increase by 30 basis points (30 bps) *	41.02	35.61
Interest rates – decrease by 30 basis points (30 bps) *	(41.02)	(35.61)

* Holding all other variables constant

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39 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity.

(in Crores)

Particulars	Amount Outstanding In INR	In USD
Borrowing as on March 31, 2023	1,394.53	16.79
Borrowing as on March 31, 2022	387.64	5.00

Since the Group has entered into derivative transaction to hedge this borrowing, the Group is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

The Group's investments carry a risk of change in prices. To manage its price risk arising from investments, the Group periodically monitors the performance of the investee.

The Group's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk

Group offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

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39.B Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt (₹ in Crores)	14,953.20	14,220.61
Total Equity (₹ in Crores)	5,554.11	2,703.69
Net Debt to Equity Ratio (times)	2.69	5.26

39.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments:

(₹ in Crores)

Particulars	As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	1,635.21
Bank Balance other than cash and cash equivalents	-	-	359.29
Derivative financial instruments	(2.03)	44.02	-
Receivables	-	-	-
(i) Trade Receivables	-	-	47.50
Loans	-	2,829.16	14,886.53
Investments	371.57	-	1,055.62
Other Financial assets	-	-	454.15
Total financial assets	**369.54**	**2,873.18**	**18,438.30**
Financial liabilities			
Trade Payables	-	-	51.38
Finance Lease Obligation	-	-	52.00
Debt Securities	-	-	2,254.22
Borrowings (Other than Debt Securities)	-	-	11,620.67
Subordinated Liabilities	-	-	1,078.31
Other financial liabilities	-	-	903.12
Total financial liabilities	-	-	**15,959.70**

(₹ in Crores)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	1,399.62
Bank Balance other than cash and cash equivalents	-	-	433.29
Receivables			
(i) Trade Receivables	-	-	36.91
Loans	-	2,885.40	12,404.82
Investments	144.00	-	9.59
Other Financial assets	-	-	357.82
Total financial assets	**144.00**	**2,885.40**	**14,642.05**
Financial liabilities			
Derivative financial instruments	-	5.05	-
Trade Payables	-	-	50.94
Finance Lease Obligation	-	-	25.64
Debt Securities	-	-	2,217.99
Borrowings (Other than Debt Securities)	-	-	10,944.93
Subordinated Liabilities	-	-	1,057.69
Other financial liabilities	-	-	944.45
Total financial liabilities	-	**5.05**	**15,241.64**

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

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

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

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,829.16	2,829.16
Investments				
(i) Alternate Investment Fund and Debt Securities	371.57	-	-	371.57
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	41.99	-	41.99
Total financial assets	**371.57**	**41.99**	**2,829.16**	**3,242.72**

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Loans - FVTOCI	-	-	2,885.40	2,885.40
Investments				
(i) Alternate Investment Fund	144.00	-	-	144.00
Total financial assets	**144.00**	-	**2,885.40**	**3,029.40**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	5.05	-	5.05
Total financial liabilities	-	**5.05**	-	**5.05**

Valuation technique used to determine fair value

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

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	14,892.51	14,886.53	Level 3
Investments			
(i) In other securities*	1,058.02	1,055.62	Level 1 /Level 3
Other Financial assets			
Total financial assets	**15,950.53**	**15,942.15**	
Financial Liabilities			
Debt Securities	2,169.44	2,254.22	Level 3
Subordinated Liabilities	1,006.65	1,078.31	Level 3
Total financial liabilities	**3,176.09**	**3,332.53**	

(₹ In Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	12,404.10	12,404.82	Level 3
Investments			
(i) In other securities*	9.59	9.59	Level 3
Other Financial assets			
Total financial assets	**12,413.69**	**12,414.41**	
Financial Liabilities			
Debt Securities	2,140.18	2,217.99	Level 3
Subordinated Liabilities	1,046.61	1,057.69	Level 3
Total financial liabilities	**3,186.79**	**3,275.68**	

*Investments in other securities in the nature of PTC are measured at Level 3

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Investments in Equity instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) Investments in Other securities: Other Secutities (e.g. certificate of deposits, commercial papers, etc.) are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iv) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(v) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and laibilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ In Crores)

Particulars	Loans - FVTOCI As at March 31, 2023	Loans - FVTOCI As at March 31, 2022
Opening Balance	2,885.40	2,326.69
Sold during the year	(2,047.33)	(2,471.02)
Re-classified to amortised cost	(624.07)	(821.07)
Issuances	2,615.16	3,850.80
Closing Balance	**2,829.16**	**2,885.40**

40.1 Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Crores)

Loans and advances	FY 2022-23	FY 2021-22
Carrying amount of derecognised financial assets	2,047.33	2,471.02
Gain from derecognition for the year	72.54	104.56

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

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets (₹ in Crores)

Loans and advances	As at March 31, 2023	As at March 31, 2022
Carrying amount of continuing involvement in derecognised financial assets	777.39	838.39

40.2 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Crores)

Securitisations	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	179.55	416.95
Carrying amount of associated liabilities	179.68	417.29
Fair value of assets	179.55	416.95
Fair value of associated liabilities	179.68	417.29

40.3 Re-classification of financial assets to amortised cost category

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of financial assets re-classified as amortised cost	624.61	793.57
Fair value of gain/loss would have been recognised in profit or loss or other comprehensive income	0.54	(0.64)

40.4 Re-classification of financial assets from Fair Value Through Other Comprehensive Income to Amortised Cost

Particulars	As at March 31, 2023	As at March 31, 2022
Date of reclassification	April 2022 to March 2023	July 2021 to March 2022
Reclassification amount (₹ in Crores)	624.07	821.07

Note: The Company has reclassified the above assets due to change in business model in respect of the specified assets. These assets are now intended to be held to collect the contractual cashflow.

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41. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the year ended March 31, 2023

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)
	IIFL Open Fintech Private Limited (w.e.f. May 17,2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director
	Ms. Mohua Mukherjee - Independent Director
	Ms. Suvalaxmi Chakraborty (ceased w.e.f. June 15, 2021)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Amit Gupta - Chief Financial Officer
	Mr. Ajay Jaiswal - Company Secretary

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

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2023

41.A Significant transactions with related parties:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	1.07	-	-	-	-	1.07
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.15	-	0.15
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	9.94	-	-	9.94
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Expense						
IIFL Finance Limited	-	-	-	-	-	-
	(20.16)	(-)	(-)	(-)	(-)	(20.16)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
360 One WAM Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	-
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Management Services Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
Corporate Social Responsibility Expense (CSR)						
India Infoline Foundation	-	-	-	8.52	-	8.52
	(-)	(-)	(-)	(7.07)	(-)	(7.07)
Arranger fees Expense/ Loan Sourcing Fee						
IIFL Finance Limited	-	-	-	-	-	-
	(0.04)	(-)	(-)	(-)	(-)	(0.04)
IIFL Securities Limited	-	-	-	0.40	-	0.40
	(-)	(-)	(-)	(0.64)	(-)	(0.64)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(23.25)	(-)	(23.25)
Brokerage Expense Reversal						
IIFL Securities Limited	-	-	-	0.98	-	0.98
	(-)	(-)	(-)	(-)	(-)	(-)
Rent Expense						
IIFL Facilities Services Limited	-	-	-	1.70	-	1.70
	(-)	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remunerations	-	-	-	-	4.64	4.64
	(-)	(-)	(-)	(-)	(3.61)	(3.61)
Mr. Monu Ratra - Short Term Benefit (including perquisites)	-	-	-	-	3.40	3.40
	(-)	(-)	(-)	(-)	(1.33)	(1.33)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. Amit Gupta - Remunerations	-	-	-	-	0.79	0.79
	(-)	(-)	(-)	(-)	(0.72)	(0.72)
Mr. Amit Gupta - Short Term Benefit (including perquisites)	-	-	-	-	0.26	0.26
	(-)	(-)	(-)	(-)	(0.49)	(0.49)
Mr. Amit Gupta - Post Employment Benefit	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	0.88	0.88
	(-)	(-)	(-)	(-)	(0.75)	(0.75)
Mr. Ajay Jaiswal - Short Term Benefit (including perquisites)	-	-	-	-	0.63	0.63
	(-)	(-)	(-)	(-)	(0.20)	(0.20)
Mr. Ajay Jaiswal - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
Mr. S. Sridhar	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.08)	(0.08)
Ms. Suvalaxmi Chakraborty	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. AK Purwar	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.03)	(0.03)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Mohua Mukherjee	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Interim Dividend Payment						
IIFL Finance Limited	83.87	-	-	-	-	83.87
	(62.90)	(-)	(-)	(-)	(-)	(62.90)

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IIFL Home Finance Limited

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD Taken						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD Returned						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD/Loan Given						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
ICD/Loan received back						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investment						
IIFL Finance Limited	-	-	-	-	-	-
	(144.00)	(-)	(-)	(-)	(-)	(144.00)
Sale of Investment - Equity Share						
IIFL Finance Limited	259.08	-	-	-	-	259.08
	(-)	(-)	(-)	(-)	(-)	(-)
Equity Shares Allotment						
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(75.00)	(-)	(-)	(75.00)
Security Deposit Paid						
IIFL Facilities Services Limited	-	-	-	0.51	-	0.51
	(-)	(-)	(-)	(-)	(-)	(-)

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IIFL Home Finance Limited

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	3.23	-	3.23
	(-)	(-)	(-)	(4.46)	(-)	(4.46)
IIFL Management Services Limited	-	-	-	0.08	-	0.08
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
IIFL Finance Limited	7.81	-	-	-	-	7.81
	(4.96)	(-)	(-)	(-)	(-)	(4.96)
5Paisa Capital Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	1.06	-	1.06
	(-)	(-)	(-)	(0.74)	(-)	(0.74)
Reimbursement paid						
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(0.32)	(-)	(0.32)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(0.58)	(-)	(-)	(-)	(-)	(0.58)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
5Paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
360 One WAM Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
ESOP						
IIFL Securities Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.49	-	-	-	-	0.49
	(1.13)	(-)	(-)	(-)	(-)	(1.13)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.40)	(-)	(0.40)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.10	-	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	1.69	-	-	-	-	1.69
	(0.91)	(-)	(-)	(-)	(-)	(0.91)
Reimbursement received						
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.28)	(-)	(0.28)
IIFL Finance Limited	0.11	-	-	-	-	0.11
	(0.26)	(-)	(-)	(-)	(-)	(0.26)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.03)	(-)	(0.03)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
India Infoline Foundation	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Fixed Assest						
5paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.65	-	-	-	-	0.65
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.34	-	0.34
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)

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Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payment of Assignment Transactions						
IIFL Finance Limited	63.35	-	-	-	-	63.35
	(90.14)	(-)	(-)	(-)	(-)	(90.14)
Purchase of Fixed Assest						
Spaisa Capital Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.32	-	-	-	-	0.32
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.17	-	0.17
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)

41 B. Closing balance:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	-	-	-	-	-	-
	(0.24)	(-)	(-)	(-)	(-)	(0.24)
Spaisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.18)	(-)	(0.18)

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IIFL Home Finance Limited

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Receivable from Group/Holding Company						
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.14	-	0.14
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
5 Paisa Capital Ltd	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
India Infoline Foundation	-	-	-	3.06	-	3.06
	(-)	(-)	(-)	(3.03)	(-)	(3.03)
Debt Securities Outstanding						
360 One WAM Limited	-	-	-	17.75	-	17.75
	(-)	(-)	(-)	(-)	(-)	-
IIFL Securities Limited	-	-	-	8.00	-	8.00
	(-)	(-)	(-)	(8.00)	(-)	(8.00)
IIFL Management Services Limited	-	-	-	4.00	-	4.00
	(-)	(-)	(-)	(4.00)	(-)	(4.00)
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	0.27	0.27
	(-)	(-)	(-)	(-)	(0.25)	(0.25)
Mr. Amit Gupta	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Mr. Ajay Jaiswal	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)

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IIFL Home Finance Limited

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Corporate Guarantee						
IIFL Finance Limited	584.94	-	-	-	-	584.94
	(845.50)	(-)	(-)	(-)	(-)	(845.50)

Figures in brackets represents previous year's figures.
"0" represents figures less than ₹ 50000.

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

(₹ in Crores)

Name of Related Party	Outstanding as on 31-Mar-23	Maximum Outstanding during the year
IIFL Finance Limited	-	300.00
IIFL Securities Limited	-	200.00
IIFL Samasta Finance Limited	-	350.00

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2023 (₹ In Crores)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,635.21	-	1,635.21
(b)	Bank balance other than (a) above	168.79	190.50	359.29
(c)	Derivative financial instruments	41.99	-	41.99
(c)	Receivables	-		
	(I) Trade receivables	47.50	-	47.50
(d)	Loans	3,515.70	14,199.99	17,715.69
(e)	Investments	1,419.87	7.32	1,427.19
(f)	Other financial assets	5.95	448.20	454.15
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	11.66	11.66
(b)	Deferred tax assets (net)	-	45.84	45.84
(c)	Investment Property	-	2.29	2.29
(d)	Property, plant and equipment	-	7.91	7.91
(e)	Right of use assets	-	50.22	50.22
(f)	Other intangible assets	-	0.44	0.44
(g)	Other non-financial assets	-	6.20	6.20
(h)	Assets held for sale	5.46	-	5.46
	Total Assets	6,840.47	14,970.57	21,811.04
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	-	-
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	-	3.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	48.37	-	48.37
(c)	Finance lease obligation	15.11	36.89	52.00
(d)	Debt securities	42.85	2,211.37	2,254.22
(e)	Borrowings (other than debt securities)	2,934.45	8,686.22	11,620.67
(f)	Subordinated liabilities	93.31	985.00	1,078.31
(g)	Other financial liabilities	903.12	-	903.12
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	16.01	-	16.01
(b)	Provisions	13.46	6.76	20.22
(c)	Other non-financial liabilities	261.00	-	261.00
3	**Equity**			
(a)	Equity share capital	-	26.34	26.34
(b)	Other equity	-	5,527.77	5,527.77
	Total liabilities and equity	4,330.69	17,480.35	21,811.04

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IIFL Home Finance Limited

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2022 (₹ in Crores)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,399.62	-	1,399.62
(b)	Bank balance other than (a) above	284.24	149.05	433.29
(c)	Receivables			
	(I) Trade receivables	36.91	-	36.91
(d)	Loans	3,521.14	11,769.08	15,290.22
(e)	Investments	0.34	403.07	403.41
(f)	Other financial assets	2.30	355.52	357.82
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	5.51	5.51
(b)	Deferred tax assets (net)	-	64.20	64.20
(c)	Investment Property	-	6.63	6.63
(d)	Property, plant and equipment	-	6.57	6.57
(e)	Right of use assets	-	23.54	23.54
(f)	Other intangible assets	-	0.18	0.18
(g)	Other non-financial assets	4.71	0.07	4.78
(h)	Assets held for sale	9.70	-	9.70
	Total Assets	**5,258.96**	**12,783.42**	**18,042.38**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	5.05	5.05
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	50.94	-	50.94
(c)	Finance Lease Obligation	6.24	19.40	25.64
(d)	Debt securities	294.69	1,923.30	2,217.99
(e)	Borrowings (other than debt securities)	2,553.60	8,391.33	10,944.93
(f)	Subordinated liabilities	12.91	1,044.78	1,057.69
(g)	Other financial liabilities	944.45	-	944.45
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	26.25	-	26.25
(b)	Provisions	9.62	4.65	14.27
(c)	Other non-financial liabilities	51.48	-	51.48
3	**Equity**			
(a)	Equity share capital	-	20.97	20.97
(b)	Other equity	-	2,682.72	2,682.72
	Total liabilities and equity	**3,950.18**	**14,092.20**	**18,042.38**

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2023

43. Additional information pursuant to para 2 of schedule III on general instructions for the preparations of Consolidated Financial Statements:

(₹ in Crores)

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
	March 31,2023	March 31,2023	March 31,2023	March 31,2023	March 31,2023	March 31,2023	March 31,2023	March 31,2023
IIFL Home Finance Limited	99.75%	5,540.02	98.04%	753.09	98.80%	11.67	98.06%	764.76
Indian Subsidiaries								
IIHFL Sales Limited	0.25%	14.10	1.47%	11.26	0.00%	-	1.44%	11.26
Non-controlling Interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian Associates (Investment as per the equity method)								
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	0.00%	0.00	0.49%	3.76	1.20%	0.14	0.50%	3.91
Total	100.00%	5,554.12	100.00%	768.12	100.00%	11.81	100.00%	779.93

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
	March 31,2022	March 31,2022	March 31,2022	March 31,2022	March 31,2022	March 31,2022	March 31,2022	March 31,2022
IIFL Home Finance Limited	90.67%	2,451.47	97.40%	578.00	101.07%	19.90	97.52%	597.90
Indian Subsidiaries								
IIHFL Sales Limited	0.09%	2.40	0.47%	2.79	0.00%	-	0.45%	2.79
Non-controlling Interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian Associates (Investment as per the equity method)								
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	9.24%	249.82	2.13%	12.65	-1.05%	(0.21)	2.03%	12.44
Total	100.00%	2,703.69	100.00%	593.44	100.02%	19.69	100.00%	613.13

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2023

44. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

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

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

IIFL Home Finance Limited

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

Date: April 24, 2023

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Chartered Accountants
MUMBAI

M. P. CHITALE & CO.
MUMBAI
C.A.

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as on March 31, 2023

Part "A": Subsidiaries

(₹ In Crores)

Sr no.	Particulars	IIHFL Sales Limited
1	Share capital	0.05
2	Reserves & surplus/Other Equity	14.05
3	Total assets	41.47
4	Total Liabilities	27.37
5	Investments	-
6	Total Turnover	47.28
7	Profit before taxation	14.86
8	Provision for taxation	3.60
9	Profit after taxation	11.26
10	Proposed Dividend	-
11	% of shareholding	100%

Reporting period for the subsidiary is same as holding company

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr no.	Particulars	IIFL Samasta Finance Limited
1	Latest management certified Balance Sheet Date	July 27, 2022
2	Shares of Associate/Joint Ventures held by the company on the period/year end	
	Number	-
	Amount of Investment in Associates/Joint Venture (₹ in Crores)	-
	Extend of Holding %	0%
3	Description of how there is significant influence	% holding more than 20%
4	Reason why the associate/joint venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest management certified Balance Sheet (₹ in Crores)	1,009.93
6	Profit / Loss for the period/year (₹ in Crores)	15.62
7	Considered in Consolidation (₹ in Crores)	3.76
8	Not Considered in Consolidation (₹ in Crores)	11.86

The company has sold its complete shareholding in associate as on July 27,2022

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

IIFL Home Finance Limited

Amit Gupta
Chief Financial Officer
Place: Mumbai

Date: April 24, 2023

Suresh Surana & Associates LLP
Chartered Accountants
8th Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the rules made thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The Company exercises significant judgement using assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances. The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under: • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL • Loan staging criteria • Calculation of Probability of Default (PD) and Loss Given Default (LGD) • Consideration of probability scenarios and forward looking macro-economic factors • Considering time value of money for delays in receipt of funds • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic, certain restructured cases, interest rate increase resulting in increased EMI which may cause stress, introduction of new product and specific identification of certain construction finance cases etc. ECL requires a large variety of data as an input to the model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	We performed audit procedures set out below: • Read the Company's Board approved Ind-AS 109 based impairment provisioning policy • Understood and assessed the Company's process and controls on measurement and recognition of impairment in the loan portfolio • Test checked loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage • Test checked PD and LGD calculation workings performed by management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at portfolio level • Test checked the calculations of determining Exposure at Default (EAD) • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages • Performed an assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • Relied on the management note and representation regarding determination of management overlay due to various additional factors.

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M. P. Chitale & Co. C.A. Mumbai

Key Audit Matter	How the matter was addressed in our audit
In view of the criticality of the item to the Standalone Financial Statements, complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.	
IT Systems and controls The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: • Interest, Fee income and other charges collected on Loans • Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. Our audit outcome is dependent on the effective functioning of such operating and accounting system.	We performed audit procedures set out below: • We obtained an understanding of the Company's business IT environment and key changes, if any during the audit period that may be relevant to the audit. • Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. • We have tested and reviewed the reconciliations between the loan origination/ servicing application and the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have also obtained management representations wherever considered necessary.

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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

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unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

i. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

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our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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d. in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with rules made thereunder;

e. on the basis of written representations received from the directors, as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 36(b) to the Standalone Financial Statements.

   ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 38B i.(i) to the standalone financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner

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whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 38B i.(ii) to the Standalone Financial Statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

vi. As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on using accounting software which has a feature of recording audit trail (edit log) facility is not applicable.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSJ5369

Place: Mumbai
Date: April 24, 2023

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

M. P. CHITALE & CO. MUMBAI C.A.

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNM1625

Place: Mumbai
Date: April 24, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED OF EVEN DATE)

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

(b) In our opinion, the Company's program of verifying Property, Plant and Equipment including Right of Use Assets once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment, including Right of Use Assets, were not due during the current year and accordingly, not verified by the management during the year.

(c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.

(e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is in business of Housing Finance. Therefore, it does not hold any physical inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. According to information and explanations given to us and the records examined by us, the revised quarterly returns or statements for the quarters ended June 2022, September 2022 and December 2022 filed by the Company during the year with such banks or financial

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

M. P. CHITALE MUMBAI

institutions are in agreement with books of account. Further, in respect of quarter ended March 2023, the return has been filed based on the provisional financial statements..

(iii) (a) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has made investments, provided guarantee or security, and granted loans and advances to companies, firms, Limited Liability Partnerships or any other parties. In our opinion, the investments made, security provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company is principally engaged in the business of providing loans.

In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 19056 cases having loan outstanding balance at year end aggregating to Rs. 2,457.85 Crores wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

(d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal amount overdue (Rs. Crores)	Interest overdue (Rs. Crores)	Total overdue (Rs. Crores)
2983	10.53	64.80	75.33

According to information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

(e) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it except for significant delays in discharge of quarterly Advance Income Tax liabilities and certain instances of short pay-outs of Professional Tax, Provident Fund and Advance Income Tax liabilities as at the year end which are not yet discharged. According to information and explanations given to us, following undisputed amount payable in respect of Provident Fund and Professional Tax were outstanding, at the year end, for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the Dues	Amount in (₹)	Period to which the amount relates	Due Date	Date of payment	Remarks, if any
Employees Provident Fund Organisation	Provident Fund	2,336	Apr-2022	15-May-22		Short Payment
		10,007	Jun-2022	15-Jul-22		
		8,680	Jul-2022	15-Aug-22		
		52,131	Aug-2022	15-Sep-22		
		1,07,077	Sep-2022	15-Oct-22		
Professional Tax Authority Gujarat	Professional Tax	1,400	Apr-22	31-May-22		
		1,400	May-22	30-Jun-22		
		1,200	Jun-22	31-Jul-22		
		1,800	Jul-22	31-Aug-22		
		2,400	Aug-22	30-Sep-22		
		2,600	Sep-22	31-Oct-22		

(b) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it, which have not been deposited with the appropriate authorities on account of any dispute except mentioned below;

Name of the Statute	Nature of the dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7.28*	F.Y. 2019-20	CIT (Appeals)
Goods and Services Tax Act, 2017	Goods and Services Tax	0.19	F.Y. 2018-19	Deputy Commissioner of State Tax

* Adjusted against refund

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.

(c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised₹.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been prima facie used for long-term purposes during the year by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and Associate;

(f) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised loans during the year on

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

M. P. CHITALE & CO. MUMBAI

the pledge of securities held in its subsidiary and associate and therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, Company has not raised money by way of public offer during the year and, hence, reporting on clause 3 (x) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has made preferential allotment / private placement of shares during the year. The requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have not come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, we have not come across any instance of whistle blower complaints reported during the year, nor have we been informed of such case by management.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company does not have any amount unspent to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

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(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSJ5369
Place: Mumbai
Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNM1625
Place: Mumbai
Date: April 24, 2023

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED OF EVEN DATE)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

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

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

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

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

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

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 23102306BGWKSJ5369
Place: Mumbai
Date: April 24, 2023

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 23145160BGUUNM1625
Place: Mumbai
Date: April 24, 2023

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4A	1,628.26	1,398.73
(b)	Bank balance other than (a) above	4B	359.29	433.29
(c)	Derivative financial instruments	5	41.99	-
(d)	Receivables	6		
	(I) Trade Receivables		40.59	34.41
(e)	Loans	7	17,728.82	15,290.22
(f)	Investments	8	1,427.24	383.26
(g)	Other financial assets	9	452.36	357.10
2	**Non-financial Assets**			
(a)	Current tax assets (Net)		11.46	5.51
(b)	Deferred tax assets (Net)	10	45.62	64.09
(c)	Investment Property	11A	2.29	6.63
(d)	Property, Plant and Equipment	11B	7.65	6.55
(e)	Right of use assets	12A	27.78	15.45
(f)	Other Intangible assets	12B	0.44	0.18
(g)	Other non-financial assets	13	5.92	4.78
(h)	Assets held for sale	14	5.47	9.70
	Total Assets		**21,785.18**	**18,009.90**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	5	-	5.05
(b)	Trade Payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		3.01	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		47.94	50.81
(c)	Finance Lease Obligation	12A	29.72	17.38
(d)	Debt Securities	16	2,254.22	2,217.99
(e)	Borrowings (other than Debt Securities)	17	11,620.67	10,944.93
(f)	Subordinated Liabilities	18	1,078.31	1,057.69
(g)	Other financial Liabilities	19	903.11	944.45
2	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		16.01	26.03
(b)	Provisions	20	19.34	14.05
(c)	Other non-financial liabilities	21	259.65	50.81
3	**Equity**			
(a)	Equity share capital	22	26.34	20.97
(b)	Other equity	23	5,526.86	2,659.74
	Total Liabilities and Equity		**21,785.18**	**18,009.90**
	See accompanying notes forming part of the financial statements	**1-46**		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 24, 2023

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Note no.	FY 2022-23	FY 2021-22
	Revenue from Operations			
(i)	Interest income	24	2,273.93	1,875.75
(ii)	Dividend income	25	1.25	-
(iii)	Fees and commission income	26	114.47	76.96
(iv)	Net gain on fair value changes	27	59.65	6.32
(v)	Net gain on derecognition of financial instruments under amortised cost category	28.1	40.81	10.92
(vi)	Net gain on derecognition of financial instruments under FVTOCI	28.2	84.02	115.88
(vii)	Net gain on derecognition of Equity shares under Cost category		29.45	-
(viii)	Net gain on modification of financial instruments under amortised cost category		-	0.25
(I)	**Total Revenue from Operations**		**2,603.58**	**2,086.08**
(II)	**Other Income**	29	127.58	135.36
(III)	**Total Income (I+II)**		**2,731.16**	**2,221.44**
	Expenses			
(i)	Finance Costs	30	1,182.09	1,062.48
(ii)	Impairment on financial instruments, including write-offs	31	166.73	160.00
(iii)	Employee Benefits Expenses	32	240.21	171.70
(iv)	Depreciation, amortization and impairment	11A-12B	9.37	6.69
(v)	Other expenses	33	109.86	74.61
(IV)	**Total Expenses**		**1,708.26**	**1,475.48**
(V)	**Profit Before Tax (III -IV)**		**1,022.90**	**745.96**
(VI)	**Tax Expense:**			
	(i) Current Tax	34	227.05	170.10
	(ii) Deferred Tax	10	6.29	(3.46)
	(iii) Tax of earlier years	34	(0.77)	1.33
	Total Tax Expense		**232.57**	**167.97**
(VII)	**Profit for the year (V-VI)**		**790.33**	**577.99**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liabilities/(assets)		(0.48)	0.11
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.12	(0.03)
	Subtotal (A)		**(0.36)**	**0.08**
	B (i) Items that will be reclassified to profit or loss			
	(a) Cash Flow Hedge (net)		16.83	12.83
	(b) Fair value of loans carried at FVTOCI		(0.75)	13.65
	(ii) Income tax relating to items that will be reclassified to profit or loss		(4.05)	(6.67)
	Subtotal (B)		**12.03**	**19.81**
	Other Comprehensive Income (A+B)		**11.67**	**19.89**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**802.00**	**597.88**
(X)	**Earnings per equity share of face value of Rs. 10 each**	35		
	Basic (Rs.)		326.07	275.65
	Diluted (Rs.)		326.07	275.65
	See accompanying notes forming part of the financial statements	1-46		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 24, 2023

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

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

A. Equity Share Capital
1. As at March 31, 2023

(₹ in Crores)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
20.97	-	-	5.37	26.34

2. As at March 31, 2022

(₹ in Crores)

Balance at the beginning of the previous reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
20.97	-	-	-	20.97

B. Other Equity
1. As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**
Additions during the year (Refer Note 1)	2,194.62							2,194.62
Share issue expenses (Refer Note 1)	(24.13)							(24.13)
Profit for the year	-	-	-	790.33	-	-	-	790.33
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-		-	12.60	-	12.60
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-		(0.36)	-	-	(0.36)
Equity Dividend (Refer Note 4)	-	-	-	(105.38)	-	-	-	(105.38)
Transfer to Special Reserve (Refer Note 5)	-	-	158.10	(158.10)	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(0.56)	(0.56)
Balance at the end of the Current reporting year	**2,969.65**	**143.86**	**561.07**	**1,838.49**	**(0.87)**	**5.57**	**9.09**	**5,526.86**

2. As at March 31, 2022

(₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	**799.16**	**143.86**	**287.37**	**912.15**	**(0.59)**	**(16.64)**	**(0.57)**	**2,124.74**
Addition during the year								
Profit for the year	-	-	-	577.99	-	-	-	577.99
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	9.61	-	9.61
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	0.08	-	-	0.08
Equity Dividend (Refer Note 4)	-	-	-	(62.90)	-	-	-	(62.90)
Transfer to Special Reserve (Refer Note 5)	-	-	115.60	(115.60)	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	10.22	10.22
Balance at the end of the Previous reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**

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

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 crs. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 crs has been charged to securities premium account.

2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40 per equity share (P.Y. ₹ 30/-).
5. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

See accompanying notes forming part of the financial statements

As per our reports attached of even date

For M. P. Chitale & Co. Chartered Accountants	For Suresh Surana & Associates LLP Chartered Accountants	For and on behalf of the Board of Directors of IIFL Home Finance Limited			
Harnish Shah Partner Place: Mumbai	**Ramesh Gupta** Partner Place: Mumbai	**R. Venkataraman** Director (DIN: 00011919) Place: Mumbai	**Monu Ratra** Executive Director & CEO (DIN: 07406284) Place: Mumbai	**Amit Gupta** Chief Financial Officer Place: Mumbai	**Ajay Jaiswal** Company Secretary (F6327) Place: Mumbai

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

Date: April 24, 2023

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

Particulars	Note No.	FY 2022-23	FY 2021-22
Cash Flows from Operating Activities			
Profit before tax		1,022.90	745.96
Adjustments for:			
Depreciation, amortization and impairment		9.37	6.69
Impairment on financial instruments		(3.60)	105.16
Interest expense		1,182.09	1,062.48
Interest on Loans		(2,273.94)	(1,875.75)
Net gain on derecognition of financial instruments		(96.14)	(122.97)
Net (gain)/loss on fair value changes		(59.65)	(6.32)
Net (gain)/loss on derecognition of Equity shares under Cost category		(29.45)	-
Net (gain)/loss on Sale of assets		0.02	0.03
Interest paid		(1,191.07)	(1,218.77)
(Gain)/Loss on termination		(0.06)	-
(Gain)/Loss on Modification		-	(0.26)
Interest received		2,254.47	1,898.47
Dividend Income		(1.25)	-
Operating Profit before Working Capital changes		813.69	594.73
Changes in Working Capital:			
Adjustments for (increase)/decrease in Other Financial assets		(22.98)	(18.57)
Adjustments for (increase)/decrease in Trade Receivables		(12.57)	(3.85)
Adjustments for (increase)/decrease in Other Non Financial assets		(2.02)	(1.58)
Adjustments for (increase)/decrease in Assets held for sale		4.23	4.25
Adjustments for (increase)/decrease in Balances with banks - Lien marked		0.47	(3.72)
Adjustments for increase/(decrease) in Trade Payables		0.13	15.65
Adjustments for increase/(decrease) in Other financial liabilities		(41.33)	359.06
Adjustments for increase/(decrease) in Other non-financial liabilities		208.85	(62.55)
Adjustments for increase/(decrease) in Provisions		4.91	2.07
Operating Profit after Working Capital changes		953.38	885.48
Direct Taxes Paid (Refer note below)		(234.00)	(164.96)
Cash from Operations		719.38	720.52
Loans (disbursed) / repaid (net)		(2,393.03)	(820.82)
Net cash generated from / (used in) Operating Activities (A)		(1,673.65)	(100.30)
Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment		(6.63)	(7.14)
Sale of Property, Plant and Equipment		1.39	0.46
Dividend Income		1.25	-
Fixed deposits placed		(2,636.31)	(1,784.49)
Fixed deposits matured		2,710.62	1,798.62
Purchase of investments		(21,807.34)	(24,149.35)
Proceeds from sale of investments		20,599.36	23,939.62
Proceeds from sale of investment in associate		259.08	-
Proceeds from sale of investment property		3.98	-
Net Cash from / (used in) Investing Activities (B)		(874.61)	(202.28)
Cash flow from Financing Activities			
Proceeds from fresh issue of Equity shares including premium		2,200.00	-
Share issue expenses		(24.13)	-
Dividend paid		(105.38)	(62.90)
Proceeds from Borrowings		4,159.31	4,341.84
Repayment of Borrowings		(3,510.66)	(3,851.80)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		330.00	1,900.45
Repayment of Debt & Sub-Ordinated Debt Securities		(264.03)	(1,034.25)
Payment of interest on lease liabilities		(2.24)	(1.38)
Principal payment of lease liabilities		(5.08)	(2.98)
Net Cash from/(used in) Financing Activities (C)		2,777.79	1,288.98
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		229.53	986.40
Cash and cash equivalents as at the beginning of the year		1,398.73	412.33
Cash and cash equivalents as at the end of the year		1,628.26	1,398.73
See accompanying notes forming part of the financial statements	1-46		

Note: As direct tax paid above is not specifically identifiable into financing and investing activities, they have been shown under operating activities.

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

Date: April 24, 2023

For and on behalf of the Board of Directors of IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

Amit Gupta
Chief Financial Officer
Place: Mumbai

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

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

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a subsidiary of IIFL Finance Limited. IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or a revision to an existing Accounting Standards requires a change in the accounting policy hitherto in use.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to

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be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to crores except when otherwise stated.

(d) Basis of measurements

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

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

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

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

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

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.
- Creation of additional management overlay to reflect among other things an increased risk of deterioration in performance of pool of specific assets.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the company at each reporting date and changes, if any are given effect to.

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iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company applies appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

IIFL HOME FINANCE LIMITED

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

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

i. Interest income and dividend income

Interest income on financial instruments measured at amortised cost/Fair value through other comprehensive income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable. Interest income on pool of loan accounts which are assigned is recognised net off interest payable to assignees on the assigned pool of loan accounts.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument adjusted for its past behaviour pattern.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees

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IIFL Home Finance Limited

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

charged for servicing a loan. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

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

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

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

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

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

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

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset,

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measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset) is included in Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

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

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Company
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

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

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

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

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

(f) Non-current Assets held for Sale

The Company follows various collection mechanisms for recovery of dues from the borrowers, which involves initiating proceedings under SARFASI Act, 2002 wherein actual/physical repossession of assets (collateral) is obtained after eviction in lieu of the loan outstanding. Once repossessed, asset is available for immediate sale via Auction process in its present condition subject only to terms that are usual and customary for sale of such asset. The Company's endeavour is to sell the re-possessed assets, in a public auction and realise the sale proceeds to recover the loan amount outstanding at the earliest. The Customer has all opportunity to repay the loan amount before finalization of sale of the property and take back the possession. Since borrowers may settle the loans and in such cases, the property is handed back to them (in case the property is not yet sold in auction), acquiring such properties does not change the nature of the assets and that such re-possessed assets continue to be classified as financial assets. In case where the Company is certain that borrower has no right to settle loans once the re-possessed assets is put up for public auction and that recovery will happen through sale and sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification is classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India was approached by the Company for an opinion in the classification of such repossessed assets as "Non- Current Assets Held For Sale" and the EAC has affirmed the view of the Company on the above matter vide its opinion on September 20, 2022.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible

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assets and investment property are tested for impairment so as to determine the impairment loss, if any.

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

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

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

(h) Employee benefits

i. Defined contribution plans

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

ii. Defined benefit plans

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

Post-employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

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Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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

(i) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

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

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

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

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

(j) Taxes on income

Current tax

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

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applicable tax laws.

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

(k) Financial instruments

Recognition and Initial Measurement

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction

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costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

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An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value and classified as at FVTPL. The Company may make an irrevocable election to present certain equity investments measured at fair value through other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

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Reclassifications

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

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

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

- Loss given default ("LGD") estimates the loss which Company incurs post customer default. It is computed using historical loss, recovery experience and value of collateral. It is usually expressed as a percentage of the Exposure at default ("EAD").

Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the company measures the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

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- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment),

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reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash

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flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

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Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

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(l) Derivative financial instrument

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other

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comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Investments in Subsidiaries and Associates

Investments in Subsidiaries and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(o) Goods and service tax input credit

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

(p) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(q) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

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

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision.

(s) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

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

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

(t) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

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(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(v) Statement of Cash Flows

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

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

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

(w) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors.

(x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

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

Note 3A. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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Note 4A. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	1.54	0.92
Cheques in hand	105.73	-
Balance with banks		
-In current accounts	82.64	164.64
Fixed deposits (original maturity less than or equal to three months)	1,438.35	1,233.17
Cash and cash equivalents	**1,628.26**	**1,398.73**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs and other earmarked balances	4.70	5.18
Fixed deposits (original maturity less than or equal to three months) - lien marked	90.17	150.07
Fixed deposits (original maturity more than three months)	264.42	278.04
Total	**359.29**	**433.29**

Out of the fixed deposits shown above:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien marked:		
Original maturity less than or equal to three months	90.17	150.07
Original maturity more than three months	82.49	81.19
Margin for credit enhancement	80.68	196.86
Total	**253.34**	**428.12**

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

Note 5. Derivatives financial instruments

(₹ in Crores)

Part I	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
(i) Currency derivatives:								
-Cross currency interest rate swaps	363.08	44.02	-	44.02	363.08	-	5.05	(5.05)
Subtotal (i)	**363.08**	**44.02**	**-**	**44.02**	**363.08**	**-**	**5.05**	**(5.05)**
(ii) Other derivatives								
-Forward contract	968.75	-	2.03	(2.03)	-	-	-	-
Subtotal (ii)	**968.75**	**-**	**2.03**	**(2.03)**	**-**	**-**	**-**	**-**
Total derivative (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

(₹ in Crores)

Part II	As at March 31, 2023				As at March 31, 2022			
	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)	Notional amounts	Fair value - assets	Fair value - liabilities	Net Asset / (Liabilites)
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
- Currency derivatives	363.08	44.02	-	**44.02**	363.08	-	5.05	(5.05)
(ii) Undesignated derivatives								
-Forward contract	968.75	-	2.03	**(2.03)**	-	-	-	-
Total derivative financial instruments (i+ii)	**1,331.83**	**44.02**	**2.03**	**41.99**	**363.08**	**-**	**5.05**	**(5.05)**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1.

(₹ in Crores)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2023						
Derivative asset	-	**44.02**	-	-	-	44.02
Derivative liabilities	**1,331.83**	**2.03**	-	-	1,331.83	2.03
Net Derivative Asset / (Liabilites)		**41.99**	**-**	-		**41.99**
As at March 31, 2022						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	**363.08**	**5.05**	-	-	363.08	5.05
Net Derivative Asset / (Liabilites)		**(5.05)**		-		**(5.05)**

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5.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 16.79 Crs. (March 31, 2022 USD 5.00 Crs.). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with a Derivative Forward Contract

The Company uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Notional amount	1,331.83	363.08
Carrying amount - Asset / (Liability)	41.99	(5.05)
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	10.04	9.61

(₹ in Crores)

Impact of hedging item	FY 2022-23	FY 2021-22
Change in fair value	10.04	9.61
Cash flow hedge reserve	12.60	9.61
Fair value change charged in Statement of Profit & Loss	(2.56)	-

(₹ in Crores)

Effect of Cash flow hedge	FY 2022-23	FY 2021-22
Total hedging gain / (loss) recognised in OCI	12.60	9.61
Total hedging gain / (loss) recognised in the statement of profit or (loss)	(2.56)	-

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
(Gain)/Loss On Swap Transaction	49.60	24.15
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(32.77)	(11.32)
Tax implication on above	(4.23)	(3.22)
Total	**12.60**	**9.61**

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Gain/(Loss) On Swap Transaction	(0.53)	-
Gain/(Loss) On Mark To Market On Fluctuation Of Foreign Exchange	(2.03)	-
Tax implication on above	-	-
Total	(2.56)	-

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Note 6. Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade receivables		
Receivables considered good - unsecured	40.51	34.11
Receivables which have significant increase in credit risk	0.10	0.38
Receivables - credit impaired	6.45	-
Total - gross	47.06	34.49
Less: Impairment loss allowance	(6.47)	(0.08)
Total	40.59	34.41

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.

Trade Receivables are not interest bearing.

Trade Receivables aging schedule

(₹ in Crores)

Particulars	Outstanding for following period from the date of transaction			Total
	Unbilled	Less than 6 Months	More than 6 Months	
As at March 31, 2023				
Undisputed Trade receivables – considered good	2.34	38.17	-	40.51
Undisputed Trade receivables – significant increase in credit risk	-	0.06	0.04	0.10
Undisputed Trade receivables – credit impaired	-	-	6.45	6.45
As at March 31, 2022				
Undisputed Trade receivables – considered good	2.58	31.53	-	34.11
Undisputed Trade receivables – significant increase in credit risk	-	0.38	-	0.38

Note 7. Loans

(₹ in Crores)

Particulars	As at March 31, 2023 Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	15,429.12	2,854.50	18,283.62
Total (A) - Gross	**15,429.12**	**2,854.50**	**18,283.62**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (A) - Net	**14,899.63**	**2,829.19**	**17,728.82**
(B)			
(i) Secured by tangible assets	15,279.11	2,853.78	18,132.89
(ii) Secured by Government Guarantee	144.39	0.72	145.11
(iii) Unsecured	5.62	-	5.62
Total (B) - Gross	**15,429.12**	**2,854.50**	**18,283.62**
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (B) - Net	**14,899.63**	**2,829.19**	**17,728.82**
(C)			
Loans in India	**15,429.12**	**2,854.50**	**18,283.62**
(i) Public sector	-	-	-
(ii) Others	15,429.12	2,854.50	18,283.62
Less: Impairment loss allowance	(529.49)	(25.31)	(554.80)
Total (C) - Net	**14,899.63**	**2,829.19**	**17,728.82**

(₹ in Crores)

Particulars	As at March 31, 2022 Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	12,950.24	2,912.72	15,862.96
Total (A) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (A) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(B)			
(i) Secured by tangible assets	12,701.76	2,912.72	15,614.48
(ii) Secured by Government Guarantee	242.40	-	242.40
(iii) Unsecured	6.08	-	6.08
Total (B) - Gross	**12,950.24**	**2,912.72**	**15,862.96**
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (B) - Net	**12,404.82**	**2,885.40**	**15,290.22**
(C)			
(I) Loans in India	**12,950.24**	**2,912.72**	**15,862.96**
(i) Public sector	-	-	-
(ii) Others	12,950.24	2,912.72	15,862.96
Less: Impairment loss allowance	(545.42)	(27.32)	(572.74)
Total (C) - Net	**12,404.82**	**2,885.40**	**15,290.22**

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The above Term Loans includes ₹ 237.79 Crores. (as at March 31, 2022, ₹ 210.15 Crores.) towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Secured loans include loans aggregating in ₹ Nil (as at March 31, 2022, ₹ 0.63 Crores) in respect of which the creation of security is under process.

Note 7.1:
The COVID-19 pandemic impacted economic activity during the last two fiscal years. Currently, while the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn COVID-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Company.

Note 7.2:
Reserve Bank of India (RBI), on November 12, 2021, had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22, allowing the company to put in place the necessary system to implement the provisions till 30 September 2022 and the same has been implemented by the Company.

Note 7.3:
The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

Note 8. Investments

(₹ in Crores)

Particulars	As at March 31, 2023			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
(i) Investments in Debt Securities	210.13	-	-	210.13
(ii) Investments in Subsidiaries	-	-	0.05	0.05
(iii) Investment in Other securities:				
(a) Alternate Investment Funds	161.44	-	-	161.44
(b) Pass through certificates	-	7.61	-	7.61
(c)Certificate of Deposits	-	650.59	-	650.59
(d) Commercial Papers	-	397.42	-	397.42
Total – Gross (A)	371.57	1,055.62	0.05	1,427.24
(B)				
(i) Investments in India	371.57	1,055.62	0.05	1,427.24
Total (B)	371.57	1,055.62	0.05	1,427.24
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	371.57	1,055.62	0.05	1,427.24

(₹ in Crores)

Particulars	As at March 31, 2022			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
(i) Investments in Subsidiaries	-	-	0.05	0.05
(ii) Investments in Associates	-	-	229.62	229.62
(iii) Investment in Other securities:				
(a) Alternate Investment Funds	144.00	-	-	144.00
(b) Pass through certificates	-	9.59	-	9.59
Total – Gross (A)	144.00	9.59	229.67	383.26
(B)				
(i) Investments in India	144.00	9.59	229.67	383.26
Total (B)	144.00	9.59	229.67	383.26
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	144.00	9.59	229.67	383.26

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Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2023 Quantity (in actuals)	As at March 31, 2023 Carrying Value (₹ in Crores)
Investments in Debt Securities		
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 29My26 FV Rs 10Lac	22	2.25
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My25 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 30My31 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My23 FV Rs 2.5Lac	250	6.31
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My24 FV Rs10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My27 FV Rs10Lac	250	25.16
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My28 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My29 FV Rs 10Lac	250	25.15
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My30 FV Rs 10Lac	250	25.21
Andhra Pradesh State Beverages Corporation Limited Sr-I 9.62 Bd 31My32 FV Rs 10Lac	250	25.21
Investments in Subsidiaries		
IIHFL Sales Limited	50,000	0.05
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	134,313,931	161.44
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	7.61
Certificate of Deposits:		
Axis Bank Limited	500	24.79
Bank of Maharashtra CD 05Apr23	2,000	99.92
Bank of Maharashtra CD 12May23	1,000	49.60
Canara Bank CD 17Apr23	2,000	99.69
HDFC Bank Limited CD 13Apr23	2,000	95.77
HDFC Bank Limited CD 15May23	1,600	79.33
Punjab National Bank CD 18May23	2,000	99.09
Punjab National Bank	2,000	98.40
Commercial Papers:		
National Bank For Agriculture And Rural Development 90D CP 20Apr23	6,000	299.87
Small Industries Development Bank of India 91D CP 16Jun23	2,000	98.55

Particulars	As at March 31, 2022 Quantity (in actuals)	As at March 31, 2022 Carrying Value (₹ in Crores)
Investments in Subsidiaries		
IIHFL Sales Limited	50,000	0.05
Investments in Associates		
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	124,555,797	223.52
Investment in Other securities:		
Alternate Investment Funds		
IIFL One Value Fund Series B	134,313,931	144.00
Pass through cetificates		
Elite Mortgage HL Trust June 2019 Series A PTC	5	9.59

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Note 9. Other financial assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits		
- Unsecured, considered good	2.40	1.98
- Unsecured, considered doubtful	0.92	0.80
Less: Provisions (Refer Note 9.1 below)	(0.92)	(0.80)
Interest strip asset on assignment	375.59	303.05
Other receivables	74.37	52.07
Total	452.36	357.10

Note 9.1. Provision on Security Deposits

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	0.80	0.85
Additions	0.13	-
Reductions	(0.01)	(0.05)
Closing provision	**0.92**	**0.80**

Note 10. Deferred tax assets (Net)

Significant components of deferred tax assets and liabilities as at March 31, 2023 are as follows:

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.64	(0.01)	-	0.63
Provisions for expected credit losses	128.13	(0.91)	-	127.22
Provision for employee benefits	1.62	0.78	0.12	2.52
Right of use of Assets and lease liabilities	0.60	0.06	-	0.66
Adjustment pertaining to income and expenses recognition based on effective interest rate	20.17	6.66	-	26.83
Total deferred tax assets (A)	**151.16**	**6.58**	**0.12**	**157.86**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(8.83)	8.83	-	-
Interest spread on assigned loans	(76.28)	(18.26)	-	(94.54)
Fair value of financial instruments	(3.23)	(3.44)	0.17	(6.50)
Fair value of derivative financial instruments	1.27	-	(12.47)	(11.20)
Total deferred tax liabilities (B)	**(87.07)**	**(12.87)**	**(12.30)**	**(112.24)**
Deferred tax assets (A+B)	**64.09**	**(6.29)**	**(12.18)**	**45.62**

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

(₹ in Crores)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	0.68	(0.04)	-	0.64
Provisions for expected credit losses	101.66	26.47	-	128.13
Provision for employee benefits	1.26	0.40	(0.04)	1.62
Fair value of derivative financial instruments	7.35	-	(6.08)	1.27
Right of use of Assets and lease liabilities	0.45	0.15	-	0.60
Adjustment pertaining to income and expenses recognition based on effective interest rate	16.19	3.98	-	20.17
Total deferred tax assets (A)	**127.59**	**30.96**	**(6.12)**	**152.43**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(7.66)	(1.17)	-	(8.83)
Interest spread on assigned loans	(49.96)	(26.32)	-	(76.28)
Fair value of financial instruments	0.20	-	(3.43)	(3.23)
Total deferred tax liabilities (B)	**(57.42)**	**(27.49)**	**(3.43)**	**(88.34)**
Deferred tax assets (A+B)	**70.17**	**3.47**	**(9.55)**	**64.09**

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Note 11A. Investment Property

(₹ in Crores)

Particulars	Building
As at March 31, 2021	7.48
Additions	-
Deductions/Adjustments	-
As at March 31, 2022	7.48
Additions	-
Deductions/Adjustments	4.73
As at March 31, 2023	2.75

Accumulated Depreciation	
As at March 31, 2021	0.48
Depreciation for the year	0.37
Deductions/Adjustments	-
As at March 31, 2022	0.85
Depreciation for the year	0.36
Deductions/Adjustments	0.75
As at March 31, 2023	0.46

Net Block as at March 31, 2022	6.63
Net Block as at March 31, 2023	2.29

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ in Crores)

Particulars	Building
As at March 31, 2021	8.68
Additions to fair value	-
Changes in the fair value (including sale)	0.10
As at March 31, 2022	8.78
Additions to fair value	-
Changes in the fair value (including sale)	5.10
As at March 31, 2023	3.68

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an Independent Un-registered Valuer. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used.

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

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

Note 11A.2. Title deeds of Immovable Property not held in name of the Company

As at March 31, 2023

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	Building (3 Properties)	5.47	Borrowers to whom loans were given	No	Repossessed between June 2019 to December 2020	Properties repossessed under SARFAESI Act.

As at March 31, 2022

(₹ in Crores)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	4.73	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Assets Held for Sale (Refer note 14)	Building (19 Properties)	9.70	Borrowers to whom loans were given	No	Repossessed between August 2017 to December 2020	Properties repossessed under SARFAESI Act.

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

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Note 11B. Property, Plant and Equipment

(₹ in Crores)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
As at March 31, 2021	0.09	1.23	0.81	0.64	5.21	-	7.98
Additions	-	0.42	0.18	0.26	6.19	-	7.05
Deductions/Adjustments	-	0.12	0.04	0.12	1.14	-	1.42
As at March 31, 2022	0.09	1.53	0.95	0.78	10.26	-	13.61
Additions	-	0.22	0.15	0.64	4.21	0.69	5.91
Deductions/Adjustments	-	0.08	0.01	0.04	2.12	-	2.25
As at March 31, 2023	0.09	1.67	1.09	1.38	12.35	0.69	17.27
Accumulated Depreciation							
As at March 31, 2021	-	0.75	0.50	0.40	3.84	-	5.49
Depreciation for the year	-	0.30	0.15	0.22	1.81	-	2.48
Deductions/Adjustments	-	0.10	0.02	0.11	0.68	-	0.91
As at March 31, 2022	-	0.95	0.63	0.51	4.97	-	7.06
Depreciation for the year	-	0.26	0.15	0.21	2.74	0.05	3.41
Deductions/Adjustments	-	0.07	0.01	0.04	0.73	-	0.85
As at March 31, 2023	-	1.14	0.77	0.68	6.98	0.05	9.62
Net Block as at March 31, 2022	0.09	0.58	0.32	0.27	5.29	-	6.55
Net Block as at March 31, 2023	0.09	0.53	0.32	0.70	5.37	0.64	7.65

* The above Freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

Statement showing movement in lease liabilities

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at March 31, 2021	14.45	0.45	14.90
Additions	4.35	1.12	5.47
Deductions/Adjustments	-	-	-
Finance cost accrued during the year	1.30	0.08	1.38
Payment of lease liabilities	3.72	0.65	4.37
As at March 31, 2022	16.38	1.00	17.38
Additions	14.91	3.28	18.18
Deductions/Adjustments	0.70	0.06	0.76
Finance cost accrued during the year	2.05	0.18	2.24
Payment of lease liabilities	6.47	0.85	7.32
As at March 31, 2023	26.17	3.55	29.72

Statement showing carrying value of right of use

(₹ in Crores)

Particulars	Premises	Vehicle	Total
As at March 31, 2021	13.18	0.39	13.57
Additions	4.45	1.12	5.57
Deductions/Adjustments	0.01	-	0.01
Depreciation	3.12	0.56	3.68
As at March 31, 2022	14.50	0.95	15.45
Additions	15.16	3.28	18.44
Deductions/Adjustments	0.65	0.07	0.72
Depreciation	4.63	0.76	5.39
As at March 31, 2023	24.38	3.40	27.78

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Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	6.28	3.04
Non- Current lease liabilities	23.44	14.34

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Due for		
Up to One year	8.55	4.33
One year to Two years	8.03	4.11
Two to Five years	13.67	9.65
More than Five years	7.33	6.04
Total	**37.58**	**24.13**

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Interest on lease liabilities	2.24	1.38
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.21	0.16
Total	**2.45**	**1.54**

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of interest on lease liabilities	2.24	1.38
Payment of lease liabilities	5.08	2.98
Total cash outflows for leases	**7.32**	**4.36**

Note 12B. Other Intangible Assets

(₹ in Crores)

Particulars	Computer Software
As at March 31, 2021	1.00
Additions	0.22
Deductions/Adjustments	-
As at March 31, 2022	1.22
Additions	0.47
Deductions/Adjustments	-
As at March 31, 2023	1.69
Accumulated Depreciation	
As at March 31, 2021	0.87
Depreciation For the year	0.17
Deductions/Adjustments	-
As at March 31, 2022	1.04
Depreciation For the year	0.21
Deductions/Adjustments	-
As at March 31, 2023	1.25
Net Block as at March 31, 2022	0.18
Net Block as at March 31, 2023	0.44

The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

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Note 13. Other Non Financial Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	0.31	0.07
Prepaid Expenses	3.59	4.05
Others	2.02	0.56
Retirement benefit assets (Refer note 32.2)	-	0.10
Total	5.92	4.78

Note 14. Assets held for Sale

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale (refer note 3(f))	5.47	9.70

Note 15. Trade Payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	3.01	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	47.94	50.81
Total	50.95	50.81

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Crores)

Particulars	FY 2022-2023	FY 2021-2022
(a) Principal amount remaining unpaid to any supplier at the year end	3.01	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Trade Payables aging schedule

(₹ in Crores)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 1 Year	
As at March 31, 2023			
(i) MSME	3.00	0.01	3.01
(ii) Others	43.21	4.73	47.94
As at March 31, 2022			
(i) MSME	-	-	-
(ii) Others	47.74	3.07	50.81

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

Note 16. Debt Securities

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	2,109.31	1,860.87
Zero Coupon Bonds -(Refer Note (a) and 16.1)	144.91	283.17
Total (A)	2,254.22	2,144.04
Unsecured:		
Commercial Paper - (Refer Note 16.1)	-	73.95
Total (B)	-	73.95
Total (A+B)	2,254.22	2,217.99
Debt securities in India	2,254.22	2,217.99
Debt securities outside India	-	-

a. The above Non Convertible Debentures and Bonds are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024) (As at March 31, 2022 ₹ 28.13 Crores (May 15, 2022), ₹ 15.00 Crores (from December 20, 2023) and ₹ 15.00 Crores (from March 20, 2024)).

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Note 16.1 - Terms of repayment

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Secured NCD (A)				
(a) Fixed:				
More than 5 years	1,315.50	5% - 9.10%	1,360.51	5.00 % - 9.10%
3-5 Years	215.25	8.20% - 8.62%	208.25	8.20 % - 10.33%
1-3 Years	535.72	8.25% - 10.33%	225.72	8.75%
Less than 1 year	42.84	5% - 10.33%	37.32	5.00% - 9.97%
Sub-Total (a)	2,109.31		1,831.80	
(b) Floating:				
More than 5 years	-	-	-	-
3-5 Years	-	-	-	-
1-3 Years	-	-	-	-
Less than 1 year	-	-	29.07	7.51%
Sub-Total (b)	-		29.07	
Total Secured NCD (A)	2,109.31		1,860.87	

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Yield	Amount	Yield
Secured Zero Coupon (B)				
More than 5 years	6.15	8.75%	3.71	8.75%
3-5 Years	4.72	8.50%	4.25	8.50%
1-3 Years	134.04	8.25% - 10.30%	120.85	8.25% - 10.30%
Less than 1 year	-		154.36	9.35% - 9.55 %
Total Secured Zero Coupon (B)	144.91		283.17	

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured (C)				
Commercial Paper				
Less than 1 year	-	-	73.95	6.30% - 6.35%
Total Unsecured (C)	-		73.95	

Note 16.2(a) - Security wise details of Secured NCD

(₹ in Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	-	29.80
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	-	28.12
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche Ii. Date Of Maturity 03/01/2025	8.25%	225.72	225.72
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	15.00	15.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/01/2026	10.05%	15.00	15.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity 31/03/2026	8.50%	280.00	-
8.70% Secured Rated Listed Redeemable Non Convertible Debentures Series D7.Date Of Maturity 28/09/2026	8.70%	112.00	112.00
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iii Tranche Ii. Date Of Maturity 03/01/2027	8.20%	52.65	52.65
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iv Tranche Ii. Date Of Maturity 03/01/2027	8.50%	13.60	13.60
8.60% Secured Redeemable Non Convertible Debentures. Series Seriz D3. Maturity Date: 11/02/2028	8.60%	18.00	18.00
8.62% Secured Redeemable Non Convertible Debentures. Series Series D4. Maturity Date: 12/03/2028	8.62%	19.00	19.00
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vi Tranche Ii. Date Of Maturity 03/01/2029	8.43%	53.74	53.74
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	22.18	22.18
8.70% Secured Rated Listed Redeemable Non Convertible Debentures Series D5 Date Of Maturity 16/04/2029	8.70%	36.00	36.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	300.00	300.00
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030	8.59%	433.30	433.30
8.70% Secured Rated Listed Redeemable Non Convertible Debentures Series D6 Date Of Maturity 14/05/2030	8.70%	109.00	109.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030	8.69%	300.00	300.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad Ii. Date Of Maturity 28/02/2031	5.00%	74.70	74.70
Total		2,079.89	1,857.81

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 16.2(b) - Security wise details of Secured Zero Coupon Bond

(₹ in Crores)

Particulars	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	-	24.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	-	58.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	51.30	50.19
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	20.00	20.00
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity 03/01/2025	8.25%	26.73	26.73
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity 03/01/2027	8.50%	4.25	4.25
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	5.53	5.53
Total		107.81	188.70

Note: Statement showing contractual principal outstanding of Secured Zero Coupon Bond

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Note 17. Borrowings (other than debt securities)

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	7,676.51	6,924.94
(ii) from NHB (Refer Note (a), (b) and 17.2)	3,085.44	2,763.71
(iii) from Financial Institution (Refer Note (b) and 17.3)	678.89	826.99
(b) Securitisation Liability (Refer Note 17.4)	179.68	417.29
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	0.15	12.00
Total	11,620.67	10,944.93
Borrowings in India*	11,198.53	10,555.82
Borrowings outside India	422.14	389.11
Total	11,620.67	10,944.93

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 200.00 Crores. (March 31, 2022 ₹ 53.33 Crores.) and Refinance Facility from NHB amounting to ₹ 564.94 Crores. (March 31, 2022 ₹ 792.16 Crores.) are also guaranteed by Holding Company i.e. IIFL Finance Limited

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

* This includes FCNB borrowings amounting to ₹ 972.39 Crores (P.Y. Nil).

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	1,249.63	7.70% - 9.00%	957.99	7.70 % - 9.50 %
3-5 Years	1,555.15	7.70% - 9.55%	1,290.57	7.70 % - 9.50 %
1-3 Years	2,487.03	7.70% - 9.55%	2,697.24	7.40 % - 10.00%
Less than 1 year	2,384.70	7.70% - 9.70%	1,979.14	7.35% - 10.00%
Total	7,676.51		6,924.94	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	783.14	2.80% - 7.90%	652.64	2.94 % - 6.85 %
3-5 Years	723.32	2.80% - 7.90%	594.15	2.94 % - 8.18 %
1-3 Years	1,092.71	2.80% - 8.40%	1,039.94	2.94 % - 8.18 %
Less than 1 year	486.27	2.80% - 8.40%	476.98	2.94 % - 8.90 %
Total	3,085.44		2,763.71	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	315.70	9.10%	438.52	8.50 % - 9.00 %
3-5 Years	166.63	9.10%	178.27	8.50 % - 9.00 %
1-3 Years	140.08	9.10%	149.65	8.50 % - 9.00 %
Less than 1 year	56.48	9.10%	60.55	8.50 % - 9.00 %
Total	678.89		826.99	

Note 17.4 - Terms of repayment of other loans

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	0.15	6.35%	12.00	7.20%
Securitisation Liability (B)				
More than 5 years	143.06	7.30% - 8.05%	318.95	6.35% - 7.80%
3-5 Years	15.22	7.30% - 8.05%	39.16	6.35% - 7.80%
1-3 Years	14.56	7.30% - 8.05%	44.26	6.35% - 7.80%
Less than 1 year	6.84	7.30% - 8.05%	14.92	6.35% - 7.80%
Sub-Total - Securitisation Liability	179.68		417.29	
Total (A+B)	179.83		429.29	

Note 18. Subordinated liabilities

(₹ in Crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures - Unsecured	886.46	884.66
Zero Coupon Bonds - Unsecured	191.85	173.03
Total	1,078.31	1,057.69
Subordinated Liabilities in India	1,078.31	1,057.69
Subordinated Liabilities outside India	-	-
Total	1,078.31	1,057.69

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores. (from February 28, 2024), ₹ 126.52 Crores. (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores. (from July 14, 2025) (as at March 31, 2022 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 Crores. (from February 28, 2024), ₹ 126.52 Crores. (from May 14, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores. (from July 14, 2025)).

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Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Crores)

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Rate of Interest	Amount	Rate of Interest
Non-convertible debentures - Unsecured				
More than 5 years	708.14	9.60% - 10.02%	806.75	8.85% - 10.02%
3-5 Years	85.00	8.85% - 9.05%	-	-
1-3 Years	-	-	65.00	8.93% - 9.30%
Less than 1 year	93.32	8.93% - 9.30%	12.91	8.51% - 9.60%
Total Non-convertible debentures - Unsecured	886.46		884.66	

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Amount	Yield	Amount	Yield
Zero Coupon Bonds - Unsecured				
More than 5 years	191.85	9.40%	173.03	9.40%
Total Zero Coupon Bonds - Unsecured	**191.85**		**173.03**	

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2023, 92% (P.Y. 95%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2(a) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Coupon	As at March 31, 2023	As at March 31, 2022
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	50.00	50.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U05. Date Of Maturity 29/05/2023	9.30%	15.00	15.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	75.00	75.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	10.00	10.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	40.00	40.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	30.00	30.00
10% Unsecured Rated Listed Redeemable Non Convertible Debentures Series I Date Of Maturity 03/11/2028	10.00%	232.72	232.72
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity . 03/11/2028	9.60%	382.82	382.82
Unsecured Rated Listed Redeemable Non Convertible Debentures Series III Date Of Maturity . 03/11/2028	10.02%	40.28	40.28
Total		875.82	875.82

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 18.2(b) - Security wise details of Non-convertible debentures - Unsecured

(₹ in Crores)

Particulars	Yield	As at March 31, 2023	As at March 31, 2022
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	126.30	126.52
Total		126.30	126.52

Note. Statement showing contractual principal outstanding of Subordinated Zero Coupon Bonds.

Note 19. Other Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Book overdraft*	778.84	746.81
Unclaimed interest and redemption proceeds of NCDs**	4.67	1.24
Other Payables#	119.60	196.40
Total	903.11	944.45

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 0.09 Crores. (P.Y. ₹ 0.18 Crores.) to the Investor Education and Protection Fund (IEPF). As of March 31, 2023, ₹ 0.00 Crores. (P.Y.₹ 0.01 Crores) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 Crores. (P.Y. ₹ 0.04 Crores).

2. For the financial year ending March 31, 2022, in accordance with RBI notification dated April 7, 2021, the Company was required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest was circulated by the Indian Banks' Association. The Company had suitably implemented this methodology. As at March 31, 2022 the Company created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits		
-Provision for Leave Encashment	7.21	5.47
-Provision for Gratuity (Refer 32.2)	0.70	-
-Provision for Bonus	11.43	8.58
Total	19.34	14.05

Note 20.1. Provision for Leave Encashment

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	5.47	4.78
Additions	2.90	1.78
Reductions	(1.16)	(1.09)
Closing provision	7.21	5.47

Note 20.2. Provision for Gratuity

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	(0.10)	(0.59)
Additions	2.40	1.65
Reductions	(1.60)	(1.16)
Closing provision	0.70	(0.10)

Note 20.3. Provision for Bonus

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	8.58	7.80
Additions	11.43	8.58
Reductions	(8.58)	(7.80)
Closing provision	11.43	8.58

Note 21. Other Non Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	8.90	10.69
Unspent CSR (Refer note no 34A)	5.20	3.03
Advances from borrowers	245.55	37.08
Income received in advance	0.00	0.01
Total	259.65	50.81

Note 22. Equity

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2022 - 152,000,000)	152.00	152.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2022 20,000,000)	20.00	20.00
Total	172.00	172.00
Issued, Subscribed and Paid Up		
Equity Share Capital		
26,344,638 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2022 - 20,968,181)	26.34	20.97
Total	26.34	20.97

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,968,181	20.97	20,968,181	20.97
Add: Issued during the year	5,376,457	5.37	-	-
Outstanding at the end of the year	26,344,638	26.34	20,968,181	20.97

During the year the Company has allotted 5,376,457 equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share

(c) Terms/rights attached to equity shares:

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

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited (holding company) and its nominees	20,968,181	79.59%	20,968,181	100%
Platinum Owl C 2018 RSC Limited	5,376,457	20.41%	-	-

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2023	IIFL Finance Limited	20,968,181	79.59%	-20.41%
As at March 31, 2022	IIFL Finance Limited	20,968,181	100.00%	-

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 500 shares (P.Y. 600 shares).

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23. Other Equity

1. As at March 31, 2023

(₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**
Additions during the year (Refer Note 1)	2,194.62	-	-	-	-	-	-	**2,194.62**
Share issue expenses (Refer Note 1)	(24.13)	-	-	-	-	-	-	**(24.13)**
Profit for the year	-	-	-	790.33	-	-	-	**790.33**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	12.60	-	**12.60**
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	(0.36)	-	-	**(0.36)**
Equity Dividend (Refer Note 4)	-	-	-	(105.38)	-	-	-	**(105.38)**
Transfer to Special Reserve (Refer Note 5)	-	-	158.10	(158.10)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(0.56)	**(0.56)**
Balance at the end of the Current reporting year	**2,969.65**	**143.86**	**561.07**	**1,838.49**	**(0.87)**	**5.57**	**9.09**	**5,526.86**

2. As at March 31, 2022

(₹ in Crores)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	**799.16**	**143.86**	**287.37**	**912.15**	**(0.59)**	**(16.64)**	**(0.57)**	**2,124.74**
Profit for the year	-	-	-	577.99	-	-	-	**577.99**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 2)	-	-	-	-	-	9.61	-	**9.61**
Remeasurement of defined benefit (Net of Tax) (Refer Note 3)	-	-	-	-	0.08	-	-	**0.08**
Equity Dividend (Refer Note 4)	-	-	-	(62.90)	-	-	-	**(62.90)**
Transfer to Special Reserve (Refer Note 5)	-	-	115.60	(115.60)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	10.22	**10.22**
Balance at the end of the Previous reporting year	**799.16**	**143.86**	**402.97**	**1,311.64**	**(0.51)**	**(7.03)**	**9.65**	**2,659.74**

1. During the year ended March 31, 2023, the Board of Directors of the Company at its meeting held on August 22, 2022 approved the allotment of 5,376,457 fully paid-up equity shares of ₹ 10/- each at a premium of ₹ 4,081.91/- per share to a wholly owned subsidiary of Abu Dhabi Investment Authority i.e. Platinum Owl C 2018 RSC Limited, acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust ("Investor") for an aggregate consideration of ₹ 2,200 Crores. The investor holds 20% of the share capital (calculated on a fully diluted basis) of the Company. Share issue expenses incurred aggregating to ₹ 24.13 Crores has been charged to securities premium account.
2. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
3. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
4. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 40/- per equity share (F.Y. ₹ 30/-).
5. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

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Note 24. Interest Income

(₹ in Crores)

Particulars	FY 2022-23 On Financial Assets measured at FVTOCI	FY 2022-23 On Financial Assets measured at Amortised Cost	Total
Interest on Loans	232.15	1,922.78	2,154.93
Interest income from investments	-	41.63	41.63
Interest on inter corporate deposits	-	11.34	11.34
Interest on deposits with Banks	-	66.03	66.03
Total	232.15	2,041.78	2,273.93

(₹ in Crores)

Particulars	FY 2021-22 On Financial Assets measured at FVTOCI	FY 2021-22 On Financial Assets measured at Amortised Cost	Total
Interest on Loans	209.87	1,645.78	1,855.65
Interest income from investments	-	0.90	0.90
Interest on inter corporate deposits	-	0.01	0.01
Interest on deposits with Banks	-	19.19	19.19
Total	209.87	1,665.88	1,875.75

Note 25. Dividend Income

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Dividend income	1.25	-
Total	1.25	-

Note 26. Fees and Commission Income

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Fees & Other Charges	85.80	61.70
Insurance and distribution commission	28.67	15.26
Total	114.47	76.96

Note 27. Net Gain on Fair Value Changes

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Net gain on financial instruments at FVTPL		
On trading portfolio		
- Investments	59.65	6.32
Total Net gain on fair value changes	59.65	6.32
Fair Value changes:		
-Realised	45.92	6.32
-Unrealised	13.73	-
Total Net gain on fair value changes	59.65	6.32

Note 28.1 Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Foreclosure of loans	12.13	7.10
Bad debts recovery	28.68	3.82
Total	40.81	10.92

Note 28.2 Net gain on derecognition of financial instruments under FVTOCI

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Assignment of loans	72.54	104.56
Foreclosure of loans	11.48	11.32
Total	84.02	115.88

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Note 29. Other Income

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Profit on sale of Assets	-	1.53
Marketing, advertisement and support service fees	127.58	133.15
Interest on Income Tax Refund	-	0.68
Total	127.58	135.36

Note 30. Finance Costs

(₹ in Crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2022-23	FY 2021-22
Interest on inter-corporate deposits	-	20.23
Interest on borrowings (other than debt securities)	880.46	795.77
Interest on debt securities	172.18	146.44
Interest on subordinated liabilities	101.19	80.16
Other interest expense		
Interest on lease liabilities	2.24	1.38
Other borrowing cost	26.02	18.50
Total	1,182.09	1,062.48

Statement showing exchange fluctuation on account of foreign currency borrowings:

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Revaluation Gain/(Loss) on Foreign currency loan	(35.33)	(11.32)
Recognised in Other Comprehensive Income	32.77	11.32
Recognised in Statement of Profit and Loss	(2.56)	-

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Crores)

Particulars	FY 2022-23 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans and receivables	(2.00)	(1.60)	(3.60)
Bad debts written off	-	170.33	170.33
Total	(2.00)	168.73	166.73

(₹ in Crores)

Particulars	FY 2021-22 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans and receivables	1.67	103.49	105.16
Bad debts written off	-	54.84	54.84
Total	1.67	158.33	160.00

Note 32. Employee Benefits Expenses

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Salaries and wages	221.21	158.26
Contribution to provident and other funds (Refer Note 32.1)	9.21	6.25
Leave Encashment	2.86	1.68
Gratuity (Refer Note 32.2)	1.86	1.59
Staff welfare expenses#	5.07	3.92
Total	240.21	171.70

#The Group company i.e. IIFL Finance Limited and IIFL Securities Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 0.49 Crores. (P.Y. ₹ 1.13 Crores. paid to Group companies i.e. IIFL Finance Limited and IIFL Securities Limited) during the year on account of such costs and the same is forming part of Employee benefit expenses.

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32.1 Defined Contribution Plans:

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

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Contribution to Provident fund	4.70	3.26
Contribution to ESIC	0.42	0.41
Contribution to Labour Welfare Fund	0.04	0.03
Company contribution to EPS	3.73	2.32
Company contribution to NPS	0.32	0.23
Total	**9.21**	**6.25**

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

Particulars	FY 2022-23	FY 2021-22
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Year	01-04-22	01-04-21
Date of Reporting	31-03-23	31-03-22
Period of Reporting	12 Months	12 Months

Assumptions (Current Year)

Particulars	FY 2022-23	FY 2021-22
Expected Return on Plan Assets	7.46%	6.98%
Rate of Discounting	7.46%	6.98%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)	Indian Assured Lives Mortality 2012-14 (Urban)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.39	8.21
Interest Cost	0.66	0.56
Current Service Cost	1.86	1.63
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.07	0.05
Liability Transferred Out/ Divestment	(0.05)	(0.08)
Benefit Paid Directly by the Employer	-	(0.00)
Benefit Paid From the Fund	(0.81)	(0.62)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.90)	(0.21)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.09	(0.14)
Present Value of Benefit Obligation at the End of the Year	**11.31**	**9.40**

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Table Showing Change in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Fair Value of Plan Assets at the Beginning of the Year	9.50	8.80
Interest Income	0.66	0.60
Contributions by the Employer	1.55	0.96
Benefit Paid from the Fund	(0.81)	(0.62)
Return on Plan Assets, Excluding Interest Income	(0.29)	(0.24)
Fair Value of Plan Assets at the End of the Year	**10.61**	**9.50**

Amount Recognised in the Balance Sheet

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Benefit Obligation at the end of the Year	11.31	9.40
Fair Value of Plan Assets at the end of the Year	10.61	9.50
Funded Status Surplus/ (Deficit)	(0.70)	0.10
Net (Liability)/Asset Recognised in the Balance Sheet	**(0.70)**	**0.10**

Net Interest Cost

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	9.39	8.20
Fair Value of Plan Assets at the Beginning of the Year	(9.49)	(8.80)
Net Liability/(Asset) at the Beginning of the Year	**(0.10)**	**(0.60)**
Interest Cost	0.66	0.56
Interest Income	(0.66)	(0.60)
Net Interest Cost	**(0.00)**	**(0.04)**

Expenses Recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Current Service Cost	1.86	1.63
Net Interest Cost	(0.00)	(0.04)
Past Service Cost	-	-
Expenses Recognised	**1.86**	**1.59**

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Actuarial (Gains)/Losses on Obligation For the Year	0.19	(0.35)
Return on Plan Assets, Excluding Interest Income	0.29	0.24
Net (Income)/Expense For the Year Recognised in OCI	**0.48**	**(0.11)**

Balance Sheet Reconciliation

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	(0.10)	(0.60)
Expenses Recognised in Statement of Profit and Loss	1.86	1.59
Expenses Recognised in OCI	0.48	(0.11)
Net Liability/(Asset) Transfer In	0.07	0.05
Net (Liability)/Asset Transfer Out	(0.05)	(0.08)
Benefit Paid directly by the Employer	-	(0.00)
Employer's Contribution	(1.55)	(0.96)
Net Liability/(Asset) Recognised in the Balance Sheet	**0.70**	**(0.11)**

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Category of Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance policy	10.61	9.50
Total	10.61	9.50

Other Details

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Prescribed Contribution For Next Year (12 Months)	2.87	1.76

Net Interest Cost for Next Year

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the End of the Year	11.31	9.40
Fair Value of Plan Assets at the End of the Year	(10.61)	(9.50)
Net Liability/(Asset) at the End of the Year	**0.70**	**(0.10)**
Interest Cost	0.84	0.65
Interest Income	(0.79)	(0.66)
Net Interest Cost for Next Year	**0.05**	**(0.01)**

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

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Current Service Cost	2.18	1.86
Net Interest Cost	0.05	(0.01)
Expected Contributions by the Employees	-	-
Expenses Recognised	**2.23**	**1.85**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.60	0.08
2nd Following Year	0.13	0.09
3rd Following Year	0.14	0.11
4th Following Year	0.17	0.12
5th Following Year	0.17	0.15
Sum of Years 6 To 10	1.39	1.04
Sum of Years 11 and above	42.07	35.46

Sensitivity Analysis

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Projected Benefit Obligation on Current Assumptions	11.31	9.39
Delta Effect of +1% Change in Rate of Discounting	(1.66)	(1.47)
Delta Effect of -1% Change in Rate of Discounting	1.91	1.81
Delta Effect of +1% Change in Rate of Salary Increase	1.43	1.29
Delta Effect of -1% Change in Rate of Salary Increase	(1.26)	(1.15)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.09)	(0.21)
Delta Effect of -1% Change in Rate of Employee Turnover	0.10	0.23

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Note 33. Other Expenses

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Advertisement	7.24	4.35
Loan processing expenses	1.40	3.99
Marketing expenses	5.70	4.76
Bank charges	2.03	1.32
Communication	1.29	1.39
Electricity	2.21	1.57
Rating and custodian fees	1.32	1.13
Legal & professional fees	27.03	16.18
Commission & sitting fees	0.70	0.53
Miscellaneous expenses	0.43	0.63
Office expenses	13.03	7.43
Postage & courier	1.70	1.40
Printing & stationary	1.50	1.59
Rates & taxes	0.02	0.03
Rent	7.38	4.25
Repairs & maintenance	1.01	0.72
Payments to auditors*	0.81	0.61
Software charges	10.42	6.08
Security expenses	1.52	1.65
Travelling & conveyance	9.08	4.40
Corporate Social Responsibility (CSR) Expenses (Refer note 38A)	13.10	10.57
Loss on sale of assets	0.94	0.03
Total	109.86	74.61

*Payments to auditors

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Audit Fees	0.32	0.29
Limited Reviews	0.15	0.11
Other matters and certification	0.27	0.18
Out of Pocket Expenses	0.07	0.03
Total as per Statement of Profit and Loss	0.81	0.61
Amount paid towards certification required under for its Public Issue of Non Convertible Debentures which has been amortised using Effective Interest Rate Method over the tenure of the debenture	-	0.76
Total	0.81	1.37

Note 34. Income taxes

Amounts recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Current tax expense		
Current year	227.05	170.10
Tax of earlier years	(0.77)	1.33
Deferred tax expense		
Origination and reversal of temporary differences	6.29	(3.46)
Total	232.57	167.97

Reconciliation of total tax expense

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Profit before tax	1,022.90	745.96
Tax using the domestic tax rate	257.44	187.74
Tax effect of:		
Non-deductible expenses	3.37	2.80
Tax-exempt income (includes deduction u/s 80JJAA)	(26.13)	(24.16)
Tax on Dividend	(0.31)	-
Adjustments for current tax for prior periods	(0.77)	1.33
Losses for which no deferred tax asset is recognised	(1.34)	-
De-Recognition of previously recognised deductible temporary differences	0.31	0.26
Total income tax expense	232.57	167.97

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Note 35. Earnings Per Share:

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

(₹ in Crores)

Particulars		FY 2022-23	FY 2021-22
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	790.33	577.99
Weighted Average Number of Equity Shares Outstanding	B	24,238,245	20,968,181
Basic EPS (In ₹)	**A/B**	**326.07**	**275.65**
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS	C	24,238,245	20,968,181
Diluted EPS (In ₹)	**A/C**	**326.07**	**275.65**

Note 36. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date

a. Commitments:

(i) As at the balance sheet date there were undrawn credit commitments of ₹ 2,098.41 Crores. (P.Y. ₹ 1,689.56 Crores);
(ii) Estimated amount of contracts remaining to be executed on capital account of ₹ 1.54 Crores. (P.Y. Nil).

b. Contingent Liabilities:

(i) Claim against the Company not acknowledged as debt ₹ 0.19 Crores. (P.Y. ₹ 0.16 Crores.).
(ii) Contingent liability on account of Income Tax Dispute and on account of GST is ₹ 7.28 Crores. (P.Y. ₹ Nil) and ₹ 0.19 Crores. (P.Y. ₹ Nil) respectively.
(iii) Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 79.95 Crores. and ₹ 23.34 Crores. respectively (P.Y. ₹ 195.67 Crores. and ₹ 23.34 Crores.).

Note 37. Disclosure as per Ind AS -108 "Operating Segments"

The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

Note 38A. Corporate Social Responsibility

The Company was required to spend ₹ 13.10 Crores. (P.Y. ₹ 10.50 Crores.) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ in Crores)

Particulars	FY 2022-2023		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	7.90	5.20	**13.10**
(b) Shortfall at the end of the year*	-	5.20	**5.20**
(c) Total of previous years shortfall	3.03	-	**3.03**
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	10.93	5.20	**16.13**

*During the year, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2023 resulting in shortfall. The unspent amount has been transferred to a separate Bank account in two tranches one on April 17, 2023 and second on April 20, 2023 will be spent during the FY 2023-24.

(₹ in Crores)

Particulars	FY 2021-2022		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	7.54	3.03	10.57
(b) Shortfall at the end of the year**	-	3.03	3.03
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities.			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.54	3.03	10.57

**During the FY 2021-22, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 08, 2022 and was spent during the FY 2022-23.

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Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. Details of Benami Property held: There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. Additional information where borrowings are from banks or financial institutions:

(i) The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 2022, September 2022 and December 2022 are in agreement with the books of accounts. Further for quarter ended March 2023 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. Wilful Defaulter: The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. Relationship with Struck off Companies : During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(₹ in Crores)

Name of the struck off company	Balance outstanding as at		Relationship with Struck off company
	March 31, 2023	March 31, 2022	
Loans:			
Jasmin Infraproject Company Private Limited	0.49	0.51	No
Grand Casa Developers Private Limited	-	0.14	No
Goleaquarius Drinking Water Private Limited	-	0.04	No
Creative Pulse Marketing Private Limited	0.12	0.12	No
Beauty Channel Salon & Spa Private Limited	1.45	1.46	No

e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

Particulars	March 31, 2023	March 31, 2022
Capital to risk-weighted assets ratio (CRAR) (%)	47.28	30.48
Tier I CRAR (%)	39.24	21.10
Tier II CRAR (%)	8.04	9.38
Liquidity Coverage Ratio (%)	277.26	1,079.22

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

h. Compliance with approved Scheme(s) of Arrangements: NA

i. Utilisation of Borrowed funds and share premium:

During the financial year ended March 31, 2023, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Company does not have any transactions not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

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

l. Capital work in progress (CWIP) and Intangible asset: The Company does not have any CWIP and Intangible asset under development.

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Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Financial Risk Management Structure

The Company has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Company being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second iife of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

The Company has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Company.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

39 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Company monitors its portfolio, based on product, underlying security and credit risk characteristics.

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395 39 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Company has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardize credit underwriting & improve sourcing quality in the long run.

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation of sustained inflation coupled with rise in interest rates and at the backdrop of COVID-19 pandemic, additional Management overlay has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The Company categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due and other cases basis regulatory guidelines] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Company evaluates risk based on staging which are as follows:

(₹ in Crores)

Risk Categorisation	As at March 31, 2023	As at March 31, 2022
Stage 1	16,754.86	14,511.16
Stage 2	1,087.31	963.10
Stage 3	441.45	388.70
Total	18,283.62	15,862.96

Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies, Trade Receivables, Investments and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Company created provisions on the above mentioned financial assets basis the default expectations.

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396 39 A.1(II) Credit quality analysis

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

(₹ in Crores)

Particulars	As at March 31, 2023 Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	1,628.26	1,628.26
Bank Balance other than above	-	-	-	359.29	359.29
Receivables					
(i) Trade Receivables	-	-	-	47.06	47.06
Loans at FVTOCI	2,854.50	-	-	-	2,854.50
Loans at amortised cost	13,900.36	1,087.31	441.45	-	15,429.12
Investments at Amortised Cost				1,055.62	1,055.62
Other Financial assets	-	-	-	453.28	453.28

(₹ in Crores)

Particulars	As at March 31, 2022 Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Financial Assets where loss allowance measured at Simplified Approach	Total
Cash and cash equivalents	-	-	-	1,398.73	1,398.73
Bank Balance other than above	-	-	-	433.29	433.29
Receivables					
(i) Trade Receivables	-	-	-	34.49	34.49
Loans at FVTOCI	2,912.72	-	-	-	2,912.72
Loans at amortised cost	11,598.44	963.10	388.70	-	12,950.24
Investments at Amortised Cost				9.59	9.59
Other Financial assets	-	-	-	357.90	357.90

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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**
New Loans Disbursed during the year	7,362.55	1,443.99	66.18	6.19	8.38	0.53	7,437.11	1,450.71
Loan Derecognised	(3,702.60)	(220.63)	(120.99)	(11.90)	(175.43)	(50.28)	(3,999.02)	(282.81)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(843.81)	(53.27)	662.32	41.18	181.49	12.09	-	-
From Stage 2	357.91	25.58	(466.33)	(34.47)	108.42	8.89	-	-
From Stage 3	33.56	3.94	16.13	1.34	(49.69)	(5.27)	-	-
Loans Repaid in part or full	(993.30)	(721.05)	(40.17)	1.22	(11.45)	25.07	(1,044.92)	(694.76)
Closing EAD March 31, 2023	**16,623.18**	**2,202.03**	**1,044.74**	**70.65**	**378.01**	**63.43**	**18,045.93**	**2,336.10**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 2,098.41 Crores (As at March 31, 2022 ₹ 1,652.76 Crores)

(₹ in Crores)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2021	**13,661.99**	**1,490.78**	**900.51**	**71.82**	**269.49**	**60.32**	**14,831.99**	**1,622.92**
New Loans Disbursed during the year	8,260.50	-	40.91	-	10.44	-	8,311.85	-
Loan Derecognised	(3,796.63)	(45.23)	(80.97)	(11.07)	(98.36)	(21.07)	(3,975.96)	(77.37)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(724.62)	(52.92)	596.80	42.68	127.82	10.24	-	-
From Stage 2	286.49	24.08	(333.44)	(27.72)	46.95	3.64	-	-
From Stage 3	32.01	5.12	5.28	0.48	(37.28)	(5.60)	0.01	-
Loans Repaid in part or full	(3,310.87)	301.44	(201.49)	(9.04)	(2.77)	24.76	(3,515.13)	317.16
Changes in contractual cash flow due to modification not resulting in de-recognition	-	0.20	-	(0.06)	-	0.11	-	0.25
Closing EAD March 31, 2022	**14,408.87**	**1,723.47**	**927.60**	**67.09**	**316.29**	**72.40**	**15,652.76**	**1,862.96**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 1,652.76 Crores (As at March 31, 2021 ₹ 1,430.51 Crores)

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Loss Allowances

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**
New Loans Disbursed during the year	88.38	12.52	3.17	0.32	2.49	0.63	**94.05**	**13.47**
Loan Derecognised	(43.74)	(1.09)	(16.44)	(1.44)	(67.04)	(50.54)	**(127.23)**	**(53.07)**
Movement in Stages								
From Stage 1	(34.13)	(0.47)	24.28	0.40	9.84	0.07	-	**0.00**
From Stage 2	57.65	2.37	(72.21)	(3.24)	14.56	0.87	-	**(0.00)**
From Stage 3	12.66	3.88	6.10	1.32	(18.76)	(5.20)	-	-
Loans Repaid in part or full	(67.91)	(6.19)	35.62	2.59	43.88	46.22	**11.58**	**42.62**
Closing ECL March 31, 2023	**245.24**	**20.54**	**112.80**	**7.26**	**103.92**	**65.06**	**461.96**	**92.86**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 18.87 Crores (As at March 31, 2022 ₹ 7.67 Crores).

(₹ in Crores)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2021	**201.95**	**10.76**	**81.38**	**5.11**	**99.40**	**60.86**	**382.74**	**76.73**
New Loans Disbursed during the year	66.00	5.05	4.68	0.28	3.72	0.65	74.40	5.98
Loan Derecognised	(25.24)	(0.79)	(5.67)	(0.33)	(37.51)	(21.18)	(68.42)	(22.30)
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(25.84)	(0.42)	20.61	0.35	5.23	0.08	-	0.01
From Stage 2	17.47	0.77	(23.13)	(1.26)	5.66	0.48	-	(0.01)
From Stage 3	11.29	5.12	1.84	0.49	(13.13)	(5.61)	-	-
Loans Repaid in part or full	(13.30)	(10.96)	52.57	2.67	55.57	37.72	94.84	29.43
Closing ECL March 31, 2022	**232.33**	**9.53**	**132.28**	**7.31**	**118.94**	**73.00**	**483.56**	**89.84**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 7.67 Crores (As at March 31, 2021 ₹ 8.73 Crores).

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39 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

The Company's Loan outstanding from Borrowers residing across 5 various states of India is 57% (P.Y. 62%).

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Write off	170.33	54.84

39 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Crores)

Particulars	FY 2022-23	FY 2021-22
Amortised Cost of Modified Assets at the time of modification	-	486.55
Modification (Gain)/Loss for the year	-	0.25

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Modified financial assets	614.61	627.79

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification "Resolution Framework for COVID-19-related Stress".

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39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Company has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2023	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Trade Payables	**50.95**	50.95	-	-	-	-	-
Finance Lease Obligation*	**37.58**	2.16	2.14	4.25	13.94	7.76	7.33
Debt Securities	**2,254.22**	17.98	8.65	16.22	669.76	219.97	1,321.64
Borrowings (Other than Debt Securities)	**11,620.67**	656.89	1,011.93	1,265.63	3,734.38	2,460.32	2,491.52
Subordinated Liabilities	**1,078.31**	68.10	25.13	0.08	-	85.00	900.00
Other financial liabilities	**903.11**	903.11	-	-	-	-	-

(₹ in Crores)

Contractual maturities of financial liabilities As at March 31, 2022	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	**5.05**	-	-	-	5.05	-	-
Trade Payables	**50.81**	50.81	-	-	-	-	-
Finance Lease Obligation*	**24.14**	1.13	1.09	2.12	7.67	6.09	6.04
Debt Securities	**2,217.99**	195.22	88.69	10.78	346.57	212.50	1,364.23
Borrowings (Other than Debt Securities)	**10,944.93**	564.41	680.57	1,308.63	3,952.99	2,070.25	2,368.08
Subordinated Liabilities	**1,057.69**	3.11	9.72	0.08	65.00	-	979.78
Other financial liabilities	**944.45**	944.45	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

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39 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

39 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Company's Net Interest Income.

Total Borrowings of the Company are as follows:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	8,535.24	8,210.30
Fixed rate borrowings	6,417.97	6,010.31
Total borrowings	**14,953.21**	**14,220.61**

As at the end of the reporting year, the Company had the following floating rate borrowings:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.72%	8,535.24	57.08%	8.19%	8,181.22	57.53%
Non Convertible Debentures	-	-	-	7.37%	29.08	0.20%
Net exposure to cash flow interest rate risk		**8,535.24**	**57.08%**		**8,210.30**	**57.75%**

An analysis by maturities is provided in note 39 A 2(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

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As at the end of the reporting year, the Company had the following cross currency interest rate swap contracts/ forward contracts outstanding:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps and Forward Contracts	8.97%	1,394.53	9.33%	9.36%	387.64	2.73%

The Company had following floating rate loans and advances outstanding:

(₹ in Crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	12.93%	18,283.62	100.00%	11.44%	15,862.96	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Crores)

Particulars	Impact on profit after tax and equity		Impact on other components of equity	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Interest rates – increase by 30 basis points (30 bps) *	(19.16)	(18.43)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	19.16	18.43	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Crores)

Particulars	Impact on profit after tax and equity	
	FY 2022-23	FY 2021-22
Interest rates – increase by 30 basis points (30 bps) *	41.05	35.61
Interest rates – decrease by 30 basis points (30 bps) *	(41.05)	(35.61)

* Holding all other variables constant

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39 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps and forwards contracts are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Company's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Company's operating units

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

(₹ in Crores)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2023	1,394.53	16.79
Borrowing as on March 31, 2022	387.64	5.00

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee. The Company's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

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39.B Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt (₹ in Crores)	14,953.20	14,220.60
Total Equity (₹ in Crores)	5,553.20	2,680.71
Net Debt to Equity Ratio (times)	2.69	5.30

39.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments:

(₹ in Crores)

Particulars	As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	1,628.26
Bank Balance other than cash and cash equivalents	-	-	359.29
Derivative financial instruments	(2.03)	44.02	
Receivables			
(i) Trade Receivables	-	-	40.59
Loans	-	2,829.19	14,899.63
Investments	371.57	-	1,055.62
Other Financial assets	-	-	452.36
Total financial assets	**369.54**	**2,873.21**	**18,435.75**
Financial liabilities			
Trade Payables	-	-	50.95
Finance Lease Obligation	-	-	29.72
Debt Securities	-	-	2,254.22
Borrowings (Other than Debt Securities)	-	-	11,620.67
Subordinated Liabilities	-	-	1,078.31
Other financial liabilities	-	-	903.11
Total financial liabilities	-	-	**15,936.99**

(₹ in Crores)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	1,398.73
Bank Balance other than cash and cash equivalents	-	-	433.29
Receivables			
(i) Trade Receivables	-	-	34.41
Loans	-	2,885.40	12,404.82
Investments	144.00	-	9.59
Other Financial assets	-	-	357.10
Total financial assets	**144.00**	**2,885.40**	**14,637.94**
Financial liabilities			
Derivative financial instruments	-	5.05	-
Trade Payables	-	-	50.81
Finance Lease Obligation	-	-	17.38
Debt Securities	-	-	2,217.99
Borrowings (Other than Debt Securities)	-	-	10,944.93
Subordinated Liabilities	-	-	1,057.69
Other financial liabilities	-	-	944.45
Total financial liabilities	-	**5.05**	**15,233.25**

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

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

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

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Loans at FVTOCI	-	-	2,829.19	2,829.19
Investments				
(i) Alternate Investment Fund and Debt Securities	371.57	-	-	371.57
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps		41.99		41.99
Total financial assets	371.57	41.99	2,829.19	3,242.75

(₹ in Crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Loans at FVTOCI	-	-	2,885.40	2,885.40
Investments				
(i) Alternate Investment Fund	144.00	-	-	144.00
Total financial assets	144.00	-	2,885.40	3,029.40
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	5.05	-	5.05
Total financial liabilities	-	5.05	-	5.05

Valuation technique used to determine fair value

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

(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	14,905.60	14,899.63	Level 3
Investments			
(i) In other securities*	1,058.02	1,055.62	Level 1 /Level 3
Total financial assets	15,963.62	15,955.25	
Financial Liabilities			
Debt Securities	2,169.44	2,254.22	Level 3
Subordinated Liabilities	1,006.65	1,078.31	Level 3
Total financial liabilities	3,176.09	3,332.53	

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(₹ in Crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
Financial assets			
Loans	12,404.10	12,404.82	Level 3
Investments			
(i) In other securities*	9.59	9.59	Level 3
Total financial assets	**12,413.69**	**12,414.41**	
Financial Liabilities			
Debt Securities	2,140.18	2,217.99	Level 3
Subordinated Liabilities	1,046.61	1,057.69	Level 3
Total financial liabilities	**3,186.79**	**3,275.68**	

*Investments in other securities in the nature of PTC are measured at Level 3

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Investments in Equity instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) Investments in Other securities: Other Securities (e.g. certificate of deposits, commercial papers, etc.) are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 1 and or Level 3.

(iv) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(v) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and laibilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Crores)

Particulars	Loans - FVTOCI	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	2,885.40	2,326.69
Sold during the year	(2,047.33)	(2,471.02)
Re-classified to amortised cost	(624.07)	(821.07)
Issuances	2,615.18	3,850.80
Closing Balance	**2,829.19**	**2,885.40**

40.1 Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Crores)

Loans and advances	FY 2022-23	FY 2021-22
Carrying amount of derecognised financial assets	2,047.33	2,471.02
Gain from derecognition for the year	72.54	104.56

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets

(₹ in Crores)

Loans and advances	As at March 31, 2023	As at March 31, 2022
Carrying amount of continuing involvement in derecognised financial assets	777.39	838.39

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40.2 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Crores)

Securitisations	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	179.55	416.95
Carrying amount of associated liabilities	179.68	417.29
Fair value of assets	179.55	416.95
Fair value of associated liabilities	179.68	417.29

40.3 Re-classification of financial assets to amortised cost category

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of financial assets re-classified as amortised cost	624.61	793.57
Fair value of gain/loss would have been recognised in profit or loss or other comprehensive income	0.54	(0.64)

40.4 Re-classification of financial assets from Fair Value Through Other Comprehensive Income to Amortised Cost

Particulars	As at March 31, 2023	As at March 31, 2022
Date of reclassification	April 2022 to March 2023	July 2021 to March 2022
Reclassification amount (₹ in Crores)	624.07	821.07

Note: The Company has reclassified the above assets due to change in business model in respect of the specified assets. These assets are now intended to be held to collect the contractual cashflow.

41. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the year ended March 31, 2023

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an assosciate from July 27, 2022)
	IIFL Open Fintech Private Limited (w.e.f. May 17,2022)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	5Paisa Capital Limited
	India Infoline Foundation
	360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)
	360 One WAM Limited (Formerly IIFL Wealth Management Limited)
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director
	Ms. Mohua Mukherjee - Independent Director
	Ms. Suvalaxmi Chakraborty (ceased w.e.f. June 15, 2021)
	Mr. Venkataramanan Anantharaman - Independent Director (w.e.f. February 21, 2023)
	Mr. Monu Ratra - Executive Director & CEO
	Mr. Kabir Mathur - Nominee Director (w.e.f. August 22, 2022)
	Mr. Amit Gupta - Chief Financial Officer
	Mr. Ajay Jaiswal - Company Secretary

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

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IIFL HOME FINANCE LIMITED
Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2023

41.A Significant transactions with related parties:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	1.07	-	-	-	-	1.07
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.15	-	0.15
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	0.19	-	-	-	0.19
	(-)	(0.01)	(-)	(-)	(-)	(0.01)
IIFL Samasta Finance Limited	-	-	9.94	-	-	9.94
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Expense						
IIFL Finance Limited	-	-	-	-	-	-
	(20.16)	(-)	(-)	(-)	(-)	(20.16)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.33)	(-)	(0.33)
360 One WAM Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	-
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Management Services Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
Corporate Social Responsibility Expense (CSR)						
India Infoline Foundation	-	-	-	8.52	-	8.52
	(-)	(-)	(-)	(7.07)	(-)	(7.07)
Arranger fees Expense / Loan Sourcing Fee						
IIFL Finance Limited	-	-	-	-	-	-
	(0.04)	(-)	(-)	(-)	(-)	(0.04)
IIFL Securities Limited	-	-	-	0.40	-	0.40
	(-)	(-)	(-)	(0.64)	(-)	(0.64)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.16)	(-)	(0.16)
IIHFL Sales Limited	-	15.65	-	-	-	15.65
	(-)	(1.03)	(-)	(-)	(-)	(1.03)
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(23.25)	(-)	(23.25)
Brokerage Expense Reversal						
IIFL Securities Limited	-	-	-	0.98	-	0.98
	(-)	(-)	(-)	(-)	(-)	(-)
Rent Expense						
IIFL Facilities Services Limited	-	-	-	1.70	-	1.70
	(-)	(-)	(-)	(-)	(-)	(-)

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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Remunerations	-	-	-	-	4.64	4.64
	(-)	(-)	(-)	(-)	(3.61)	(3.61)
Mr. Monu Ratra - Short Term Benefit (including perquisites)	-	-	-	-	3.40	3.40
	(-)	(-)	(-)	(-)	(1.33)	(1.33)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. Amit Gupta - Remunerations	-	-	-	-	0.79	0.79
	(-)	(-)	(-)	(-)	(0.72)	(0.72)
Mr. Amit Gupta - Short Term Benefit (including perquisites)	-	-	-	-	0.26	0.26
	(-)	(-)	(-)	(-)	(0.49)	(0.49)
Mr. Amit Gupta - Post Employment Benefit	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(0.00)	(0.00)
Mr. Ajay Jaiswal - Remunerations	-	-	-	-	0.88	0.88
	(-)	(-)	(-)	(-)	(0.75)	(0.75)
Mr. Ajay Jaiswal - Short Term Benefit (including perquisites)	-	-	-	-	0.63	0.63
	(-)	(-)	(-)	(-)	(0.20)	(0.20)
Mr. Ajay Jaiswal - Post Employment Benefit	-	-	-	-	0.01	0.01
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.09	0.09
	(-)	(-)	(-)	(-)	(0.07)	(0.07)
Mr. S. Sridhar	-	-	-	-	0.11	0.11
	(-)	(-)	(-)	(-)	(0.08)	(0.08)
Ms. Suvalaxmi Chakraborty	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Mr. AK Purwar	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.03)	(0.03)
Mr. Venkataramanan Anantharaman	-	-	-	-	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Mohua Mukherjee	-	-	-	-	0.06	0.06
	(-)	(-)	(-)	(-)	(0.02)	(0.02)
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Interim Dividend Payment						
IIFL Finance Limited	83.87	-	-	-	-	83.87
	(62.90)	(-)	(-)	(-)	(-)	(62.90)
Interim Dividend Received						
IIFL Samasta Finance Limited	-	-	1.25	-	-	1.25
	(-)	(-)	(-)	(-)	(-)	(-)
ICD Taken						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD Returned						
IIFL Finance Limited	-	-	-	-	-	-
	(3,284.40)	(-)	(-)	(-)	(-)	(3,284.40)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(45.00)	(-)	(45.00)
ICD/Loan Given						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	8.00	-	-	-	8.00
	(-)	(1.98)	(-)	(-)	(-)	(1.98)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
ICD/Loan received back						
IIFL Finance Limited	300.00	-	-	-	-	300.00
	(421.00)	(-)	(-)	(-)	(-)	(421.00)
IIFL Securities Limited	-	-	-	370.00	-	370.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	8.00	-	-	-	8.00
	(-)	(1.98)	(-)	(-)	(-)	(1.98)
IIFL Samasta Finance Limited	-	-	775.00	-	-	775.00
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investment						
IIFL Finance Limited	-	-	-	-	-	-
	(144.00)	(-)	(-)	(-)	(-)	(144.00)
Sale of Investment - Equity Share						
IIFL Finance Limited	259.08	-	-	-	-	259.08
	(-)	(-)	(-)	(-)	(-)	(-)
Equity Shares Allotment						
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(75.00)	(-)	(-)	(75.00)
IIHFL Sales Limited	-	-	-	-	-	-
	(-)	(0.05)	(-)	(-)	(-)	(0.05)
Security Deposit Paid						
IIFL Facilities Services Limited	-	-	-	0.51	-	0.51
	(-)	(-)	(-)	(-)	(-)	(-)
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	3.21	-	3.21
	(-)	(-)	(-)	(4.46)	(-)	(4.46)
IIFL Management Services Limited	-	-	-	0.08	-	0.08
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
IIFL Finance Limited	6.58	-	-	-	-	6.58
	(4.76)	(-)	(-)	(-)	(-)	(4.76)
5Paisa Capital Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	2.56	-	-	-	2.56
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	1.06	-	1.06
	(-)	(-)	(-)	(0.74)	(-)	(0.74)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Reimbursement paid						
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(0.32)	(-)	(0.32)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(0.58)	(-)	(-)	(-)	(-)	(0.58)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
5Paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
360 One WAM Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(0.01)	(-)	(-)	(-)	(0.01)
ESOP						
IIFL Securities Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	0.49	-	-	-	-	0.49
	(1.13)	(-)	(-)	(-)	(-)	(1.13)
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Securities Limited	-	-	-	0.66	-	0.66
	(-)	(-)	(-)	(0.40)	(-)	(0.40)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.10	-	0.10
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	1.62	-	-	-	-	1.62
	(0.91)	(-)	(-)	(-)	(-)	(0.91)
IIHFL Sales Limited	-	0.30	-	-	-	0.30
	(-)	(0.11)	(-)	(-)	(-)	(0.11)
Reimbursement received						
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.28)	(-)	(0.28)
IIFL Finance Limited	0.11	-	-	-	-	0.11
	(0.26)	(-)	(-)	(-)	(-)	(0.26)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
5Paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.03)	(-)	(0.03)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
India Infoline Foundation	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	0.12	-	-	-	0.12
	(-)	(0.08)	(-)	(-)	(-)	(0.08)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Sale of Fixed Assest						
IIHFL Sales Limited	-	0.38	-	-	-	0.38
	(-)	(0.02)	(-)	(-)	(-)	(0.02)
5paisa Capital Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.62	-	-	-	-	0.62
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.34	-	0.34
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Payment of Assignment Transactions						
IIFL Finance Limited	63.35	-	-	-	-	63.35
	(90.14)	(-)	(-)	(-)	(-)	(90.14)
Purchase of Fixed Assest						
IIHFL Sales Limited	-	0.01	-	-	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
5paisa Capital Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.32	-	-	-	-	0.32
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.17	-	0.17
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)

41 B. Closing balance:

(₹ in Crores)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	-	-	-	-	-	-
	(0.13)	(-)	(-)	(-)	(-)	(0.13)
5paisa Capital Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	2.43	-	-	-	2.43
	(-)	(0.44)	(-)	(-)	(-)	(0.44)
360 One Distribution Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.18)	(-)	(0.18)

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Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Receivable from Group/Holding Company						
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Livlong Insurance Brokers Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.14	-	0.14
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
5 Paisa Capital Ltd	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Finance Limited	0.07	-	-	-	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
India Infoline Foundation	-	-	-	3.06	-	3.06
	(-)	(-)	(-)	(3.03)	(-)	(3.03)
Debt Securities Outstanding						
360 One WAM Limited	-	-	-	17.75	-	17.75
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Securities Limited	-	-	-	8.00	-	8.00
	(-)	(-)	(-)	(8.00)	(-)	(8.00)
IIFL Management Services Limited	-	-	-	4.00	-	4.00
	(-)	(-)	(-)	(4.00)	(-)	(4.00)
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	0.27	0.27
	(-)	(-)	(-)	(-)	(0.25)	(0.25)
Mr. Amit Gupta	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Mr. Ajay Jaiswal	-	-	-	-	0.14	0.14
	(-)	(-)	(-)	(-)	(0.13)	(0.13)
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.10)	(0.10)
Mr. S. Sridhar	-	-	-	-	0.12	0.12
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Mohua Mukherjee	-	-	-	-	0.10	0.10
	(-)	(-)	(-)	(-)	(0.06)	(0.06)
Corporate Guarantee						
IIFL Finance Limited	584.94	-	-	-	-	584.94
	(845.50)	(-)	(-)	(-)	(-)	(845.50)

Figures in brackets represents previous year's figures.

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

(₹ in Crores)

Name of Related Party	Outstanding as on 31-Mar-23	Maximum Outstanding during the year
IIHFL Sales Limited	-	6.00
IIFL Finance Limited	-	300.00
IIFL Securities Limited	-	200.00
IIFL Samasta Finance Limited	-	350.00

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2023

(₹ in Crores)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,628.26	-	**1,628.26**
(b)	Bank balance other than (a) above	168.79	190.50	**359.29**
(c)	Derivative financial instruments	41.99	-	**41.99**
(d)	Receivables			
	(I) Trade receivables	40.59	-	**40.59**
(e)	Loans	3,515.70	14,213.12	**17,728.82**
(f)	Investments	1,419.87	7.37	**1,427.24**
(g)	Other financial assets	5.95	446.41	**452.36**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	11.46	**11.46**
(b)	Deferred tax assets (net)	-	45.62	**45.62**
(c)	Investment Property	-	2.29	**2.29**
(d)	Property, plant and equipment	-	7.65	**7.65**
(e)	Right of use assets	-	27.78	**27.78**
(f)	Other intangible assets	-	0.44	**0.44**
(g)	Other non-financial assets	-	5.92	**5.92**
(h)	Assets held for sale	5.47	-	**5.47**
	Total Assets	**6,826.62**	**14,958.56**	**21,785.18**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	-	**3.01**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	47.94	-	**47.94**
(b)	Finance Lease Obligation	6.27	23.45	**29.72**
(c)	Debt securities	42.85	2,211.37	**2,254.22**
(d)	Borrowings (other than debt securities)	2,934.45	8,686.22	**11,620.67**
(e)	Subordinated liabilities	93.31	985.00	**1,078.31**
(f)	Other financial liabilities	903.11	-	**903.11**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	16.01	-	**16.01**
(b)	Provisions	13.01	6.33	**19.34**
(c)	Other non-financial liabilities	259.65	-	**259.65**
3	**Equity**			
(a)	Equity share capital	-	26.34	**26.34**
(b)	Other equity	-	5,526.86	**5,526.86**
	Total liabilities and equity	**4,319.61**	**17,465.57**	**21,785.18**

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IIFL Home Finance Limited

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2022

(₹ in Crores)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	1,398.73	-	1,398.73
(b)	Bank balance other than (a) above	284.24	149.05	433.29
(c)	Receivables			
	(I) Trade receivables	34.41	-	34.41
(d)	Loans	3,521.13	11,769.09	15,290.22
(e)	Investments	0.34	382.92	383.26
(f)	Other financial assets	2.30	354.80	357.10
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	5.51	5.51
(b)	Deferred tax assets (net)	-	64.09	64.09
(c)	Investment Property	-	6.63	6.63
(d)	Property, plant and equipment	-	6.55	6.55
(e)	Right of use assets	-	15.45	15.45
(f)	Other intangible assets	-	0.18	0.18
(g)	Other non-financial assets	4.71	0.07	4.78
(h)	Assets held for sale	9.70	-	9.70
	Total Assets	5,255.56	12,754.34	18,009.90
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	5.05	5.05
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	50.81	-	50.81
(c)	Finance Lease Obligation	3.04	14.34	17.38
(d)	Debt securities	294.69	1,923.30	2,217.99
(e)	Borrowings (other than debt securities)	2,553.61	8,391.32	10,944.93
(f)	Subordinated liabilities	12.91	1,044.78	1,057.69
(g)	Other financial liabilities	944.45	-	944.45
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	26.03	-	26.03
(b)	Provisions	9.40	4.65	14.05
(c)	Other non-financial liabilities	50.81	-	50.81
3	**Equity**			
(a)	Equity share capital	-	20.97	20.97
(b)	Other equity	-	2,659.74	2,659.74
	Total liabilities and equity	3,945.75	14,064.15	18,009.90

43. RBI Disclosures

43 A. Disclosure made vide Notification "RBI/2020-21/16 DOR No.BP.BC/3/21.04.048/2020-21" dated August 06, 2020 on Resolution Framework for COVID-19-related Stress (Resolution Framework 1.0).

(₹ in Crores)

Type of Borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at September 2022	(B) of (A), aggregate debt that slipped into NPA during the half year	(C) Of (A), amount written off during the half year	(D) Of (A), amount paid by the borrower during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at March 2023
Personal Loans	269.40	44.90	5.96	21.42	196.14
Corporate persons	28.18	-	-	10.66	17.53
of which MSMEs	-	-	-	-	-
Others	134.94	9.55	1.64	17.16	106.58
Total	**431.52**	**54.45**	**7.60**	**49.24**	**320.25**

43 B. Disclosure made vide Notification No - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on "Implementation of Indian Accounting Standards"

(₹ in Crores)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	16,754.94	248.09	16,506.85	91.87	156.22
	Stage 2	1,087.30	118.89	968.41	24.44	94.45
Subtotal		**17,842.24**	**366.98**	**17,475.26**	**116.31**	**250.67**
Non-Performing Asset						
Substandard	Stage 3	338.02	115.58	222.44	46.39	69.19
Subtotal for Substandard		**338.02**	**115.58**	**222.44**	**46.39**	**69.19**
Doubtful upto 1 year	Stage 3	77.92	34.53	43.39	15.96	18.57
1 to 3 years	Stage 3	31.75	19.68	12.07	9.91	9.77
More than 3 years	Stage 3	3.21	3.21	-	2.04	1.17
Subtotal for doubtful		**112.88**	**57.42**	**55.46**	**27.91**	**29.51**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**450.90**	**173.00**	**277.90**	**74.30**	**98.70**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norm	Stage 1	2,070.32	17.71	2,052.61	-	17.71
	Stage 2	28.09	1.16	26.92	-	1.16
	Stage 3			-	-	-
Subtotal for Other Items		**2,098.41**	**18.87**	**2,079.53**	-	**18.87**
Total	**Stage 1**	**18,825.26**	**265.80**	**18,559.46**	**91.87**	**173.93**
	Stage 2	**1,115.39**	**120.05**	**995.34**	**24.44**	**95.61**
	Stage 3	**450.90**	**173.00**	**277.90**	**74.30**	**98.70**
	Total	**20,391.55**	**558.85**	**19,832.70**	**190.61**	**368.24**

*Includes Assets held for sale aggregating to ₹ 5.47 Crores (P.Y. ₹ 9.70 Crores). (Net of ECL Provision) for which disposal is under process as per SARFAESI Act. (Refer Note No. 14).

In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PDNo.109/22.10.106/2019-20 dated March 13,2020 on implementation of Indian Accounting Standards,Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at March 31,2023 and accordingly, no amount is required to be transferred to impairment reserve.

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43 C. Annex III Schedule to the Balance Sheet

(₹ in Crores)

		Particulars	As at March 31, 2023		As at March 31, 2022	
			Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
		Liabilities side				
1		**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured	2,254.22	-	2,144.04	-
		: Unsecured	1,078.31	-	1,057.69	-
		(other than falling within the meaning of public deposits)				
	(b)	Deferred Credits	-	-	-	-
	(c)	Term Loans	11,440.84	-	10,515.64	-
	(d)	Inter-corporate loans and borrowing	-	-	-	-
	(e)	Commercial Paper	-	-	73.95	-
	(f)	Public Deposits	-	-	-	-
	(g)	Other Loans	-	-	-	-
		Securitisation Liability	179.68	-	417.29	-
		Cash credit / Overdraft from Banks	0.15	-	12.00	-
2		**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)	In the form of Unsecured debentures	-	-	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)	Other public deposits	-	-	-	-
		Assets side	**Amount outstanding**		**Amount outstanding**	
3		**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured	18,287.52		15,872.94	
	(b)	Unsecured	5.62		6.08	
4		**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i)	Lease assets including lease rentals under sundry debtors				
		(a) Financial lease	-		-	
		(b) Operating lease	-		-	
	(ii)	Stock on hire including hire charges under sundry debtors				
		(a) Assets on hire	-		-	
		(b) Repossessed Assets	-		-	
	(iii)	Other loans counting towards asset financing activities				
		(a) Loans where assets have been repossessed	-		-	
		(b) Loans other than (a) above	-		-	

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

43 C. Annex III Schedule to the Balance Sheet

(₹ in Crores)

Particulars				As at March 31, 2023		As at March 31, 2022	
				Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
5	Break-up of Investments						
	Current Investments						
	1	Quoted					
		(i)	Shares				
			(a) Equity		-		-
			(b) Preference		-		-
		(ii)	Debentures and Bonds		210.13		-
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (Certificate of Deposits and Commercial Papers)		1,048.01		-
	2	Unquoted					
		(i)	Shares		-		-
			(a) Equity		-		-
			(b) Preference		-		-
		(ii)	Debentures and Bonds		-		-
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (investment in units of AIFs)		161.44		-
	Long Term investments						
	1	Quoted					
		(i)	Share		-		-
			(a) Equity		-		-
			(b) Preference		-		-
		(ii)	Debentures and Bonds		-		-
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (please specify)		-		-
	2	Unquoted					
		(i)	Shares		-		-
			(a) Equity		0.05		229.62
			(b) Preference		-		-
		(ii)	Debentures and Bonds		7.61		9.59
		(iii)	Units of mutual funds		-		-
		(iv)	Government Securities		-		-
		(v)	Others (investment in units of AIFs)		0.00		144.05

43 C. Annex III Schedule to the Balance Sheet

(₹ in Crores)

	Particulars	As at March 31, 2023 Amount outstanding		As at March 31, 2023 Amount overdue	As at March 31, 2022 Amount outstanding		As at March 31, 2022 Amount overdue
6	**Borrower group-wise classification of assets financed as in (3) and (4) above:**						
	Category	**Amount net of provisions**			**Amount net of provisions**		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1 Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2 Other than related parties	17,728.67	5.62	17,734.28	15,293.84	6.08	15,299.92
	Total	**17,728.67**	**5.62**	**17,734.28**	**15,293.84**	**6.08**	**15,299.92**
7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**						
	Category	**Market Value / Break up or fair value or NAV**		**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**		**Book Value (Net of Provisions)**
	1 Related Parties						
	(a) Subsidiaries	14.10		0.05	2.84		0.05
	(b) Companies in the same group	-		-	249.82		229.62
	(c) Other related parties	-		-	-		-
	2 Other than related parties	1,429.60		1,427.19	153.64		153.64
	Total	**1,443.70**		**1,427.24**	**406.30**		**383.31**
8	**Other information**						
	Particulars	**Amount**			**Amount**		
	(i) Gross Non-Performing Assets						
	(a) Related parties			-			-
	(b) Other than related parties			450.90			563.51
	(ii) Net Non-Performing Assets						
	(a) Related parties			-			-
	(b) Other than related parties			277.90			334.77
	(iii) Assets acquired in satisfaction of debt (Note)			-			-

Note:

1. Assets classified as Assets held for sale are disclosed separately in the financial statement as per requirements of IND AS 105. For the purpose of reporting above, such assets aggregating to ₹ 9.43 Crores and ₹ 5.43 Crores have been presented as a part of Gross Non Performing Assets and Net Non-Performing Assets respectively (P.Y. 2021-22 ₹ 12.26 Crores and ₹ 7.70 Crores respectively).

2. The above figure includes cases classified as non-performing assets basis circular issued by Reserve Bank of India, no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

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43D. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

Liquidity Risk Management Framework

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2023		As at Dec 31, 2022		As at Sep 30, 2022		As at June 30, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**534.79**	**455.78**	**615.33**	**524.53**	**271.48**	**233.63**	**295.71**	**295.71**
	Cash and Bank Balance	8.07	8.07	9.99	9.99	19.18	19.18	34.57	34.57
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	-	-	-	-	-	-	261.14	261.14
	Liquid Investments								
	HQLA Investments	526.72	447.71	605.34	514.54	252.30	214.45	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	12.96	14.91	2.99	3.43	14.13	16.25	5.43	6.24
4	Secured wholesale funding	345.34	397.14	380.65	437.75	356.36	409.81	338.65	389.45
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements								
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities								
6	Other contractual funding obligations	67.38	77.49	52.33	60.17	52.58	60.47	53.71	61.77
7	Other contingent funding obligations	146.10	168.01	144.28	165.93	143.83	165.41	141.03	162.18
8	**Total Cash outflows**	**571.78**	**657.55**	**580.25**	**667.28**	**566.90**	**651.94**	**538.82**	**619.64**
	Cash Inflows								
9	Secured lending								
10	Inflows from fully performing exposures	232.27	174.20	227.60	170.70	217.72	163.29	208.45	156.34
11	Other cash inflows	2,010.82	1,508.12	1,452.96	1,089.72	1,245.75	934.32	159.11	119.33
12	**Total Cash Inflows**	**2,243.09**	**1,682.32**	**1,680.56**	**1,260.42**	**1,463.47**	**1,097.61**	**367.56**	**275.67**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		**455.78**		**524.53**		**233.63**		**295.71**
14	**Total Net Cash Outflows**		**164.39**		**166.82**		**162.98**		**343.97**
15	**Liquidity Coverage Ratio(%)**		**277.26%**		**314.43%**		**143.35%**		**85.97%**

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

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

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2022 Total Unweighted Value (average)	As at March 31, 2022 Total Weighted Value (average)	As at December 31, 2021 Total Unweighted Value (average)	As at December 31, 2021 Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	992.23	992.23	659.84	659.84
	Cash and Bank Balance	165.56	165.56	247.81	247.81
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	826.67	826.67	412.03	412.03
	Liquid Investments	-	-	-	-
	Cash Outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	3.06	3.52	13.83	15.91
4	Secured wholesale funding	205.64	236.48	228.40	262.65
5	Additional requirements, of which	-		-	
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	36.09	41.51	27.60	31.74
7	Other contingent funding obligations	75.00	86.25	75.00	86.25
8	**Total Cash outflows**	**319.79**	**367.76**	**344.83**	**396.55**
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	203.49	152.62	197.70	148.27
11	Other cash inflows	255.16	191.37	426.36	319.77
12	**Total Cash Inflows**	**458.65**	**343.99**	**624.06**	**468.04**
			Total Adjusted Value		**Total Adjusted Value**
13	**Total HQLA**		992.23		659.84
14	**Total Net Cash Outflows**		91.94		99.14
15	**Liquidity Coverage Ratio(%)**		1079.22%		665.58%

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

Qualitative Disclosure

Liquidity Coverage Ratio (LCR) aims to ensure that NBFC's maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.
The Company has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Company has been able to manage LCR quite higher than the minimum requirement of 50%.

HQLA comprises of unencumbered Bank Balances and Fixed Deposit, Cash in Hand, Liquid Investments after appropriate haircut as per the extant RBI/NHB Guidelines. The Company maintains sufficient balance of Cash and Bank Balance and liquid investments which can be easily liquidated in times of stress.

Liquidity Coverage Ratio results drive by inflow of next 30 days receivable on loans and advances and corresponding outflow over the next 30 days towards borrowings and other liabilities.

43E. Details of loans transferred / acquired during the year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Count of Loan Assigned	15898	17087
2	Amount of Loan transferred	2,274.81	2,745.58
3	Retention of benefitial Economic Interest(MRR)	10%	10%
4	Wgt Average Maturity (Residual Maturity)	191.67 months	200.44 months
5	Wgt Average Holding Period	12.64 months	13.50 month
6	Coverage of Tangible security	100%	100%
7	Rating wise distribution of rated loans	Unrated	Unrated

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43F. Disclosure made vide Notification "RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23" dated April 19, 2022 on 'Scale Based Regulation (SBR) read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs.
As refered in point 1 of Annex of the April 19, 2022 notification, line items/disclosures which are not applicable/not permitted or with no exposure/no transaction both in current and previous year have been omitted.

A) Exposure

1) Exposure to real estate sector

(₹ in Crores)

Category	March 31, 2023	March 31, 2022
i) Direct exposure		
a) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	17,182.72	14,812.40
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	1,110.42	1,066.62
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	7.61	9.59
Total Exposure to Real Estate Sector	**18,300.75**	**15,888.61**

2) Exposure to Capital market

(₹ in Crores)

	Particulars	March 31, 2023	March 31, 2022
i)	All exposures to Alternative Investment Funds:		
	(i) Category II	161.44	144.00
	Total Exposure to capital market	**161.44**	**144.00**

3) Sectoral exposure

(₹ in Crores)

	Sectors	March 31, 2023			March 31, 2022		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Personal Loans						
	i. Housing	11,905.24	232.65	1.95%	10,241.00	272.21	2.66%
	ii. Non-housing*	5,588.50	218.25	3.91%	5,101.76	291.30	5.71%
	Total Personal loans	**17,493.74**	**450.90**	**2.58%**	**15,342.76**	**563.51**	**3.67%**
2	Others:						
	i. Construction Finance	799.40	-	-	536.27	-	-
	Total	18,293.14	450.90	2.46%	15,879.03	563.51	3.55%

* Non-Housing loan includes loans against properties.

4) Intra group exposures

(₹ in Crores)

	Particulars	March 31, 2023	March 31, 2022
i)	Total amount of intra-group exposures	613.82	855.27
ii)	Total amount of top 20 intra-group exposures	613.82	855.27
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	3.01%	4.87%

* Note intra-group exposure includes off balance sheet items (such as Guarantee and Sanctioned but undisbursed loans).

5) Unhedged foreign currency exposure

(₹ in Crores)

	Particulars	March 31, 2023	March 31, 2022
i)	Total amount of unhedged foreign currency exposures	-	-

6) Disclosure of complaints

1) Summary information on complaints received by the Company from customers:

(₹ in Crores)

Sr. No	Particulars	March 31, 2023	March 31, 2022
Complaints received by the Company from its customers:			
1	Number of complaints pending at beginning of the year	16	33
2	Number of complaints received during the year	728	732
3	Number of complaints disposed during the year	719	749
3.1	Of which, number of complaints rejected by the HFC	NA	NA
4	Number of complaints pending at the end of the year	25	16

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2) Top five grounds of complaints received by the Company from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		March 31, 2023			
On account of CLSS	6	179	-21%	2	0
On account of ROI related	1	84	45%	1	0
On account of Refund related	1	83	19%	4	0
On account of Disbursement	1	61	17%	5	1
On account of Legal	5	70	99%	8	3
Others	2	251	-13%	5	0
Total	16	728		25	4
		March 31, 2022			
On account of CLSS	7	227	-21%	6	1
On account of ROI related	3	58	-69%	1	0
On account of Refund related	0	70	100%	1	0
On account of Disbursement	2	52	16%	1	0
FCL	7	79	-61%	1	0
Others	14	246	-36%	6	4
Total	**33**	**732**		**16**	**5**

7. Corporate Governance Disclosure
Disclosures in relation to Corporate Governance are disclosed in the Corporate Governance section.

8. Breach of covenant: There are no instances of breach of covenants for loan availed or debt securities issued.

9. Divergence in the asset classification and provisioning: In terms of the RBI guidelines, HFCs are required to disclose the divergence in asset classification and provisioning consequent to NHB's assessment in their notes to accounts to the financial statements, wherever the additional provisioning assessed / additional gross NPAs identified by NHB exceeds the threshold specified in the guidelines. There was no divergence in asset classification and provisioning for NPAs.

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

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

B) Related Party Disclosure

(₹ in Crores)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures/Fellow Subsidiary*		Key Management Personnel		Relatives of Key Management Personnel		Directors		Others		Total	
Items	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Borrowings																
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	29.75	12.00	29.75	12.00
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	29.75	12.00	29.75	12.00
Advances																
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	0.05	0.05	-	229.62	-	-	-	-	-	-	-	-	0.05	229.67
Maximum Outstanding	-	-	0.05	0.05	229.62	229.62	-	-	-	-	-	-			229.67	229.67
Purchase of fixed/other assets	0.32	-	0.01	-	-	-	-	-	-	-	-	-	0.22	-	0.55	-
Sale of fixed/other assets	0.62	-	0.38	0.02	-	-	-	-	-	-	-	-	0.39	-	1.39	0.02
Interest paid	-	20.16	-	-	-	-	-	-	-	-	-	-	0.99	0.56	0.99	20.72
Interest received	1.07	-	0.19	0.01	9.94	-	-	-	-	-	-	-	0.15	-	11.35	0.01
Others		-		-		-		-	-	-	-	-		-	-	-
Corporate Social Responsibility Expense (CSR)	-	-	-	-	-	-	-	-	-	-	-	-	8.52	7.07	8.52	7.07
Arranger fees Expense/ Loan Sourcing Fee	-	0.04	15.65	1.03	-	-	-	-	-	-	-	-	0.40	0.80	16.05	1.87
Commission/ Brokerage Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	23.25	-	23.25
Brokerage Expense Reversal	-	-	-	-	-	-	-	-	-	-	-	-	0.98	-	0.98	-
Remuneration and Compensation to KMP	-	-	-	-	-	-	10.63	7.13	-	-	-	-	-	-	10.63	7.13
Sitting Fees paid to Directors & Commission to Directors	-	-	-	-	-	-	0.64	0.49	-	-	-	-	-	-	0.64	0.49
Interim Dividend Payment	83.87	62.90	-	-	-	-	-	-	-	-	-	-	-	-	83.87	62.90
Interim Dividend Received	-	-	-	-	1.25	-	-	-	-	-	-	-	-	-	1.25	-
ICD Taken	-	3,284.40	-	-	-	-	-	-	-	-	-	-	-	45.00	-	3,329.40
ICD Returned	-	3,284.40	-	-	-	-	-	-	-	-	-	-	-	45.00	-	3,329.40
ICD/Loan Given	300.00	421.00	8.00	1.98	775.00	-	-	-	-	-	-	-	370.00	-	1,453.00	422.98
ICD/Loan received back	300.00	421.00	8.00	1.98	775.00	-	-	-	-	-	-	-	370.00	-	1,453.00	422.98
Purchase of Investment	-	144.00	-	-	-	-	-	-	-	-	-	-	-	-	-	144.00
Sale of Investment - Equity Share	259.08	-	-	-	-	-	-	-	-	-	-	-	-	-	259.08	-
Equity Shares Allotment	-	-	-	0.05	-	75.00	-	-	-	-	-	-	-	-	-	75.05
Other Paid	70.49	96.62	2.57	0.01	-	-	-	-	-	-	-	-	6.63	5.70	79.69	102.33
Other Received	1.73	1.17	0.42	0.19	-	-	-	-	-	-	-	-	0.81	0.75	2.96	2.11

* IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited) (ceased to be an associate from July 27, 2022)

44. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN HFC.CC No.120/03.10.136/2020-21 dated February 17, 2021 as amended from time to time.

The below mentioned notes have been prepared as per Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 ("IND AS").

44.1. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Crores)

Year	No. of significant counterparties*	Amount*	% of Total Deposits	% of Total Liabilities**
March 31, 2023	16	12,090.16	NA	74.48%
March 31, 2022	16	11,446.28	NA	74.67%

Note :
*The above amount does not include borrowings on account of securitisation transaction.
**Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity;

(ii) Top 20 large deposits (amount in Rs Millions and % of total deposits) – Not Applicable

(iii)Top 10 borrowings

(₹ in Crores)

Year	Amount*	% of Total Borrowings
March 31, 2023	10,633.28	71.11%
March 31, 2022	9,937.89	69.88%

*Note: The above amount does not include borrowings on account of securitisation transaction.

(iv) Funding Concentration based on significant instrument / product

(₹ in Crores)

Name of the Product	March 31, 2023		March 31, 2022	
	Amount (₹ in Crs.)	% of Total Liabilities*	Amount (₹ in Crs.)	% of Total Liabilities*
Non Convertible Debentures	3,332.53	20.53%	3,201.73	20.89%
Term Loans	11,440.84	70.48%	10,515.64	68.60%
Securitisation	179.68	1.11%	417.29	2.72%
Cash Credit / Overdraft Facilties	0.15	0.00%	12.00	0.08%
Commercial papers	-	0.00%	73.95	0.48%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(v) Stock Ratios

Stock Ratio	March 31, 2023	March 31, 2022
Commercial papers as a % of total public funds	0.00%	0.52%
Commercial papers as a % of total liabilities	0.00%	0.48%
Commercial papers as a % of total assets	0.00%	0.41%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
Other short-term liabilities as a % of total public funds	28.89%	27.75%
Other short-term liabilities as a % of total liabilities	26.61%	25.74%
Other short-term liabilities as a % of total assets	19.83%	21.91%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time.

The Company also manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

44.2. Disclosure on Principal business criteria

Particulars	March 31, 2023	March 31, 2022
Total Housing Loans (%)*	56.63%	57.79%
Individual Housing Loans (%)*	53.30%	54.84%

*% of Total assets netted of intangibale assets.

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44.3. Other Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

I. Capital

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
(i) CRAR %	47.28	30.48
(ii) CRAR - Tier I Capital (%)	39.24	21.10
(iii) CRAR - Tier II Capital (%)	8.04	9.38
(iv) Amount of subordinated debt raised as Tier- II Capital	920.34	950.34
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	356.39	262.46
b) Statutory Reserve U/s 29C of the NHB Act, 1987	46.58	24.91
c) Total	**402.97**	**287.37**
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	102.62	93.93
b) Amount transferred U/s 29C of the NHB Act, 1987	55.48	21.67
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	459.01	356.39
b) Statutory Reserve U/s 29C of the NHB Act, 1987	102.06	46.58
c) Total	**561.07**	**402.97**

III) Investments

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
A) Value of Investments		
(i) Gross Value of Investments	1,429.99	390.75
(a) In India*	-	-
(b) Outside India		
(ii) Provision for Depreciation	0.46	0.85
(a) In India	-	-
(b) Outside India		
(iii) Net value of Investments	1,429.53	389.90
(a) In India	-	-
(b) Outside India		
B) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.85	0.48
(ii) Add: Provisions made during the year	0.36	0.37
(iii) Less: Write-off / Write back of excess provisions during the year	0.75	-
(iv) Closing balance	**0.46**	**0.85**

* Includes investment property of ₹ 2.75 Crs. (as at March 31, 2022 ₹ 7.48 Crs.)

IV) Derivatives

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

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
(i) The notional principal of swap agreements/ forward contracts	1,331.83	363.08
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.06	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks.	
(v) The fair value of the swap book/ forward contracts*	41.99	5.05

* Fair value as at March 31, 2023 represents Derivative Asset and for the year end March 31, 2022 represents Derivative Liabilities

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

(₹ in Crores)

Particulars	March 31, 2023
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2023 (instrument wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Crores)

Particulars	March 31, 2022
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2022 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

c. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

To manage these risks, the Compnay has board approved policy framework for derivatives, consistent with its general corporate responsibility for corporate governance. The management of derivative activity would be further integrated into the company's overall risk manegement system.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

Objectives of the policy

- Identify and manage the company's debt and related interest rate risk
- Reduce overall interest cost of the company
- Management of foreign currency positions, derivative transactions and related risks
- To evaluate and measure these risks and their sensitivity to operations
- Establish processes for monitoring and control of the risks as per policy
- Effective MIS and regular reporting of positions and risks to the Risk Management Committee

B. Quantitative Disclosure

(₹ in Crores)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2023	March 31, 2023
(i) Derivatives (Notional Principal Amount) For hedging	1,331.83	-
(ii) Marked to Market Positions		
(a) Assets (+)	44.02	-
(b) Liability (-)	2.03	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

(₹ in Crores)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2022	March 31, 2022
(i) Derivatives (Notional Principal Amount) For hedging	363.08	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	5.05	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

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

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

(₹ in Crores)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Borrowings from Bank	7.62	21.33	38.55	70.47	473.82	568.78	1,203.13	3,484.38	2,210.32	2,147.74	**10,226.14**
	(2.36)	(2.40)	(30.42)	(116.55)	(410.20)	(692.55)	(1,330.02)	(3,653.52)	(2,105.52)	(2,210.82)	**(10,554.36)**
Market Borrowing	6.63	50.00	3.00	23.34	3.11	33.78	16.30	669.76	304.97	2,221.64	**3,332.53**
	(40.05)	-	(47.72)	(37.42)	(77.05)	(113.77)	(16.16)	(412.10)	(212.59)	(2,318.81)	**(3,275.67)**
Foreign Currency Liabilities	2.30	-	-	42.80	-	443.15	62.50	250.00	250.00	343.78	**1,394.53**
	-	-	-	(11.73)	-	-	-	(378.84)	-	-	**(390.57)**
Assets											
Advances	94.57	84.71	446.93	310.95	327.39	989.11	971.00	5,077.19	3,034.23	6,398.21	**17,734.29**
	(86.54)	(75.64)	(370.50)	(277.04)	(294.11)	(574.90)	(605.45)	(4,472.79)	(2,568.75)	(5,974.20)	**(15,299.92)**
Investments	99.94	99.78	398.56	259.13	196.97	0.08	161.59	51.04	28.06	132.09	**1,427.24**
	(0.05)	(0.05)	(0.09)	(0.17)	(0.18)	(0.37)	(0.38)	(146.81)	(1.69)	(233.47)	**(383.26)**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**

Computation of ALM is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

Figures in Brackets represents previous year's figures.

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

Borrowings from Bank includes borrowings from Financial Institutions.

Foreign Currency Liabilities means borrowings from banks

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VI) Exposure

a) Exposure to Real Estate Market

(₹ in Crores)

Category	March 31, 2023	March 31, 2022
a) Direct exposure		
(i)Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	17,182.72	14,812.40
(ii)Commercial Real Estate-		
Lending secured by mortgages on commercial real estate's (office buildings retail space multipurpose commercial premises multi-family residential buildings multi-tenanted commercial premises industrial or warehouse space hotels land acquisition development and construction etc) Exposure would also include non-fund based(NFB)limits;	1,110.42	1,066.62
(iii)Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
a. Residential	7.61	9.59
b. Commercial Real Estate	-	-
b)Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-

Exposure includes amount outstanding including principal, and interest accrued.

b) Exposure to Capital Market

(₹ in Crores)

Category	March 31, 2023	March 31, 2022
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	161.44	144.00

Note: Investments are shown as mark to market.

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

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

e) Unsecured Advances: The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing. The Company does not have any unsecured advances other than those mentioned in Note 7.

f) Exposure to group companies engaged in real estate business

(₹ in Crores)

Description	March 31, 2023	March 31, 2022
i) Exposure to any single entity in a group engaged in real estate business	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-

44.4. Miscellaneous

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

II) Penalties imposed by NHB or any other regulators: No penalties were imposed during the year.

III) Related Party Transactions: Related party transaction details have been disclosed under Note 41.

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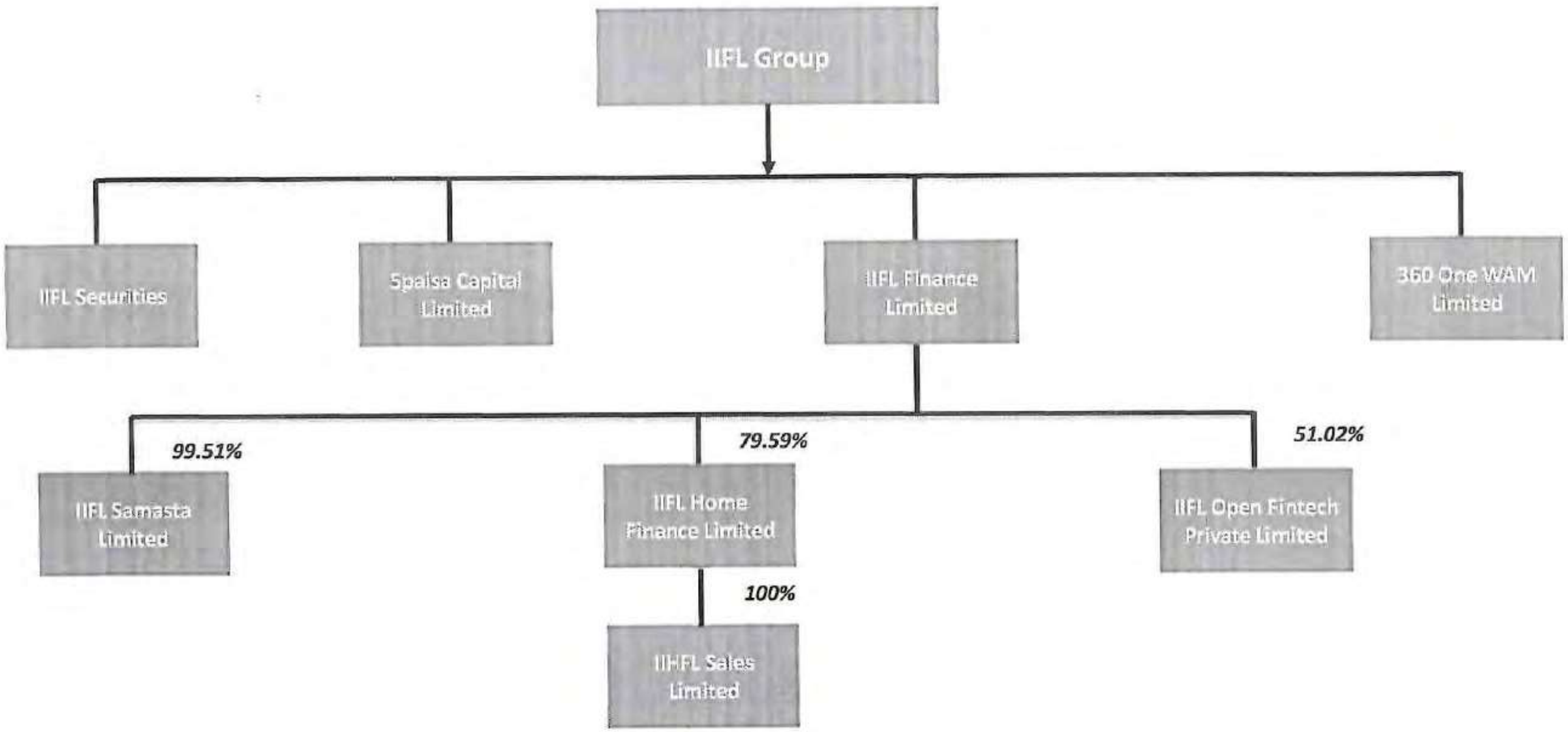
IV) Group Structure as on March 31, 2023:



432 V) Note on Rating assigned by Credit Rating Agencies and migration of rating during the year

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2023

(₹ in Crores)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	8,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	185.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	126.52
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	3,645.38
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	5,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	5,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	2,743.75
Subordinated Debt programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	353.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA (Stable)/ Reaffirmed	5,000.00
Long term market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA (Stable)/ Reaffirmed	200.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable	17.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative Reaffirmed	15.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	270.00
NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	5,000.00

b) Details of Migration of Ratings during the FY 2022-23: During the year under review there were no migrations of Ratings.

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2022

(₹ in Crores)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	6,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	300.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	200.00
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	7,152.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	5,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	5,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	2,855.00
Subordinated Debt programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	373.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	5,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Reaffirmed Stable	200.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable	22.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative Reaffirmed	15.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	270.00
NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	5,000.00

b) Details of Migration of Ratings during the FY 2021-22

(₹ in Crores)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2022-23	Rating in 2021-22
Non-Convertible Debentures (NCD)	CARE Ratings	22.00	CARE AA; Stable [Double A; Outlook: Stable]	CARE AA; Negative [Double A; Outlook: Negative]
Non-convertible Debenture Programme	ICRA Limited	2,855.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Subordinated Debt programme	ICRA Limited	373.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Long Term Fund Based Bank Lines Programme	ICRA Limited	5,000.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Long term principal protected market linked debenture programme	ICRA Limited	200.00	PP-MLD[ICRA]AA / Reaffirmed Stable	PP-MLD[ICRA]AA / Reaffirmed Negative

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VI) Remuneration of Non-Executive Directors

(₹ in Crores)

Name of Directors	Remuneration Paid 2022-23	Remuneration Paid 2021-22
Mr. Kranti Sinha	0.19	0.17
Mr. S. Sridhar	0.23	0.20
Ms. Suvalaxmi Chakraborty	-	0.02
Mr. AK Purwar	0.06	0.03
Mr. Venkataramanan Anantharaman	0.00	-
Ms. Mohua Mukherjee	0.16	0.08

VII) Management : Refer the Management Discussion and Analysis section.

VIII) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. For any change in accounting policies refer Significant Accounting Policies Note 3.

IX) Revenue Recognition : No revenue recognition has been postponed pending the resolution of significant uncertainties.

X) Applicability of Consolidation of Financial Statements: Refer to the Consolidated Financial Statements for the relevant disclosures.

44.5. Additional Disclosures

I) Details on Provisions and Contingencies

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

(₹ in Crores)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2022-23	2021-22
Provisions for depreciation on Investment*	0.36	0.37
Provision made towards Income tax	232.57	167.97
Provision towards NPA**	(40.49)	47.57
Provision for Standard Assets	36.89	55.04
CRE – Residential	3.55	(4.47)
CRE – Others	(0.29)	1.16
Others	33.63	58.35

*Includes depreciation on Investment Property.

** Includes provision towards Trade Receivables of ₹ 6.40 Crores (P.Y. ₹ 0.08 Crores).

b) Break up of Loans and Advances and Provisions thereon

(₹ in Crores)

Breakup of Loans and Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount	12,350.95	10,430.46	5,491.28	4,885.05
b) Provisions made	232.26	209.99	153.60	140.29
Sub-Standard Assets		-		-
a) Total Outstanding Amount	191.92	198.21	146.10	157.82
b) Provisions made	53.96	68.25	61.61	48.81
Doubtful Assets - Category I		-		-
a) Total Outstanding Amount	33.67	33.27	44.25	69.30
b) Provisions made	10.02	19.69	24.52	30.90
Doubtful Assets - Category II		-		-
a) Total Outstanding Amount	6.09	35.24	25.67	46.79
b) Provisions made	2.47	27.36	17.20	19.51
Doubtful Assets - Category III		-	-	-
a) Total Outstanding Amount	0.98	5.51	2.23	17.38
b) Provisions made	0.98	5.15	2.23	9.07
Loss Assets		-	-	-
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	12,583.61	10,702.69	5,709.53	5,176.34
b) Provisions Amount	299.69	330.44	259.16	248.58

II) Details on drawn drown from reserves

The disclosure pertaining to drawn down from Reserves has been disclosed shown in Other Equity (Refer Note 23).

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

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-

b) Concentration of Loans & Advances

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	835.66	885.04
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	4.57%	5.57%

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers	981.21	954.43
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.81%	5.43%

Note: Exposure includes amount outstanding including principal, interest accrued and sanctioned but undisbursed.

d) Concentration of NPAs

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten NPA accounts	72.28	77.54

e) Sector wise NPAs - Percentage of NPAs to Total Advances in that sector

(₹ in Crores)

Sector	As at March 31, 2023	As at March 31, 2022
A. Housing Loans		
1. Individuals	1.96%	2.62%
2. Builders/Project Loans	-	-
3. Corporates	2.96%	13.75%
4. Others (specify)	-	-
B. Non-Housing Loans		
1. Individuals	3.76%	5.93%
2. Builders/Project Loans	5.26%	10.01%
3. Corporates	3.68%	3.03%
4. Others (specify)	-	-

*Includes interest accrued.

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IIFL Home Finance Limited

IV) Movement of NPAs

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Net NPAs to Net Advances (%)	1.52%	2.11%
(II) Movement of NPAs (Gross)		
a. Opening balance	563.51	352.78
b. Additions during the year	315.19	376.16
c. Reductions during the year	(427.80)	(165.43)
d. Closing balance	**450.90**	**563.51**
(III) Movement of NPAs (Net)		
a. Opening balance	334.77	183.57
b. Additions during the year	197.71	235.60
c. Reductions during the year	(254.58)	(84.40)
d. Closing balance	**277.90**	**334.77**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	228.74	169.21
b. Provisions made during the year	117.48	140.56
c. Write-off/write-back of excess provisions	(173.22)	(81.03)
d. Closing balance	**173.00**	**228.74**

V) Overseas Assets

(₹ in Crores)

Particulars	2022-23	2021-22
N.A.	N.A.	N.A.

VI) Off-balance Sheet SPVs sponsored which are required to be consolidated as per accounting Norms

(₹ in Crores)

Name of the SPV Sponsored	Domestic	Overseas
NA.	N.A.	N.A.

VII) Percentage of outstanding loans granted against the collateral gold jewellery to the outstanding total assets is ₹ Nil. (P.Y. ₹ Nil.)

VIII) Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries : The company have operations only in India and does not have any joint venture partners with regard to joint ventures and overseas subsidiaries.

44.6. Disclosure of Complaints

I) Details on Customer Complaints

Particulars	2022-23	2021-22
a) No. of complaints pending at the beginning of the year	16	33
b) No. of complaints received during the year	728	732
c) No. of complaints redressed during the year	719	749
d) No. of complaints pending at the end of the year	25	16

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED

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

45. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

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

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Mumbai

Ajay Jaiswal
Company Secretary
(F6327)
Place: Mumbai

IIFL Home Finance Limited

Amit Gupta
Chief Financial Officer
Place: Mumbai

Date: April 24, 2023

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

Suresh Surana and Associates LLP
Chartered Accountants
437 8th Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED) ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Holding Company"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its associate which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated statement of Cash Flows for the year then ended, and notes to Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary, and associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under sub-section 10 of section 143 of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

M. P. CHITALE & CO. MUMBAI C.A.

Emphasis of Matter

We draw attention to Note 7.1 to the Consolidated Financial Statements, with respect to the management's evaluation of COVID-19 impact on the future performance of the Group. This assessment and the outcome of the pandemic are made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiary and associate Companies audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

A. Key Audit Matters for Holding Company

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The Company exercises significant judgement using assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances. The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under: • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL • Loan staging criteria • Calculation of Probability of Default (PD) and Loss Given Default (LGD) • Consideration of probability scenarios and forward looking macro-economic factors	We performed audit procedures set out below: • Read the Company's Board approved Ind-AS 109 based impairment provisioning policy • Understood and assessed the Company's process and controls on measurement and recognition of impairment in the loan portfolio • Test checked loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage • Test checked PD and LGD calculation workings performed by management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at portfolio level • Test checked the calculations of determining Exposure at Default (EAD) • Test checked the manner of determining

Key Audit Matter	How the matter was addressed in our audit
• Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic ECL requires a large variety of data as an input to the model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In view of the criticality of the item to the Consolidated Financial Statements, complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.	significant increase in credit risk and the resultant basis for classification of exposures into various stages • Performed an assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment
IT Systems and controls The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: • Interest, Fee income and other charges	We performed audit procedures set out below: • We obtained an understanding of the Company's business IT environment and key changes, if any during the audit period that may be relevant to the audit. • Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis • We have tested and reviewed the reconciliations between the loan origination/ servicing application and the

Key Audit Matter	How the matter was addressed in our audit
collected on Loans • Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. Our audit outcome is dependent on the effective functioning of such operating and accounting system.	accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have also obtained management representations wherever considered necessary.

B. Key Audit Matters for Subsidiary Company - IIHFL Sales Ltd - No key audit matters reported by the Subsidiary Company's auditor for the year ended March 31, 2022

C. Key Audit Matters as reported by the Auditor of the Associate Company i.e. **IIFL Samasta Finance Limited**

Key Audit Matter	How our Audit addressed the Key Audit Matter
1. Expected Credit Loss Refer note 2 (c) of significant accounting policies and note 40 for credit disclosures of Audited Standalone Financial Statement of IIFL Samasta Finance Limited. As at 31 March 2022, the Company has total gross loan assets of Rs.5,772.72 crores (2021: Rs. 4,116.78 crores)) against which an Expected Credit Loss ('ECL') of Rs. 254.80 crores (2021 Rs. 155.44 crores) has been accrued. The ECL approach as required under Ind AS 109, Financial instruments, involves high degree of complexity and requires significant judgement of the management. The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Evaluated the Company's accounting policies for estimation of expected credit loss on loan assets in accordance with the requirements of Ind AS 109, Financial Instruments; • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions • Evaluated the appropriateness of the Company's

Key Audit Matter	How our Audit addressed the Key Audit Matter
the categorization of the individual asset. The key areas of judgment include 1. Categorization of loans in Stage 1, 2 and 3 based on identification of: a) exposures with Significant Increase in Credit Risk (SICR) since their origination and b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL are based on past experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These parameters are derived from the Company's internally developed statistical models, historical data and macro-economic factors and a change in such models or assumptions could have a material impact on the accompanying financial statements. These factors required the models to be reassessed based on the available information including the additional risk profiling due to the impact of COVID-19 Pandemic, geographical, political and economic risk to measure the ECL. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is	process of determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages. • Assessed the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic, RBI guidelines/notification and the associated probability weights. • Obtained the approved policy of board of directors to understand the relief measures sanctioned to various class of borrowers in accordance with the directions given by the RBI and tested, on sample basis, the compliance with respect to asset classification and provisioning norms as per such directions. • Tested management's computation of ECL by performing following procedures: • Evaluated management's groupings of borrowers on the basis of different product lines and customer segments with different risk characteristics. • Tested classification of loans into various categories based on their past due status and other loss indicators. On a sample basis, inspected the repayment schedule from the underlying borrower agreements and collection made on due dates; • Performed test of details of the input information used in ECL computation on a sample basis. • Tested the arithmetical accuracy of the computation. • Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management.

Key Audit Matter	How our Audit addressed the Key Audit Matter
critical for the integrity of the estimated impairment provisions. Considering the significance of the above matter to the financial statements and the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit.	
2. Identification and Measurement of NPA: As per RBI's circular dated November 12, 2021 read with earlier circular dated October 1, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, Automation of NPA and provisioning is required to be implemented by all lending Institutions. The NPA provisioning as per ECL methodology followed by the Company are not fully automated in Software Applications used by the Company for Loans Management and are performed manually through excel spreadsheets. Further, marking of linked accounts at borrower level as NPAs are done manually. These may have impact on the accuracy and completeness of the provision accrued for NPAs. Considering the significance, we have identified this as a key audit matter for current year audit.	Performed other substantive procedures, included but not limited to the following: • Assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment of borrower level NPA identification and verification of applicable provision rates as per ECL policy of the Company on test check basis; • Selected samples of performing loan accounts to assess, independently, whether such loan accounts should be classified as NPA; • Recompilation of the amount of ECL provisioning on the total advances base considering the stage wise categories of advances, LGD (Loss given default) and PD (Probability of default) arrived by the Company.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

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

The Holding Company's Board of Directors are responsible for the matters stated in sub-section 5 of section 134 of the Act with respect to preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total consolidated comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its Associate in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting standard) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

M. P. Chitale & Co. Mumbai C.A.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies included in the Group and its associate is responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate is responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act,2013, we are also responsible for expressing our opinion on whether the whether the Group and its associate which are companies incorporated in India, have adequate internal financial controls in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

M. P. Chitale & Co. Mumbai C.A.

Other Matter

a) Consolidated financial statements includes total assets of Rs. 127.67 million as at March 31, 2022, total revenues of Rs. 10.30 million, total profit before tax of Rs. 37.83 million, total profit after tax of Rs. 27.89 million and net cash inflows amounting to Rs. 8.92 million, respectively of a subsidiary for the year ended on that date. These financial statements/results have been audited by one of the Joint Auditors i.e. M. P. Chitale & Co. whose reports have been furnished to other Joint Auditor i.e. Suresh Surana and Associates LLP by the Management and their opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, is solely based on the reports of one of the Joint Auditors i.e. M. P. Chitale & Co.

b) The Consolidated Financial Statements also include the Group's share of net profit after tax and total comprehensive income of Rs. 126.51 million and Rs. 124.44 million, respectively for the year ended March 31, 2022, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act, is solely based on the reports of other auditors included in respect of aforesaid associate.

c) Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters (a) and (b) with respect to our reliance on the work done and the reports of the other auditors.

d) The Holding Company has prepared and presented Consolidated Financial Statements for the first time in FY 2021-22. Hence, previous year comparatives are not available and not presented. Further, Amounts appearing in Consolidated Statement of cash flows for FY 2021-22 are compiled based on unaudited opening cash and cash equivalents as at April 01, 2021, which is neither audited nor reviewed by statutory auditors. Our opinion on the Consolidated Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

Suresh Surana & Associates LLP Chartered Accountants Mumbai

M. P. Chitale & Co. Mumbai C.A.

b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant Companies (Indian Accounting Standards) Rule, 2015 as amended;

e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associates, none of the directors of the Group and its associate is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group and its associate to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and associates, as noted in the 'Other Matters' paragraph:

   i. the Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 36(b) to the Consolidated Financial Statements.

   ii. the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

M. P. Chitale & Co. Mumbai C.A.

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the companies included in the Group and of its associate.

iv. (a) The respective Management of the companies included in the Group and of its associate have represented that, to the best of their knowledge and belief, as disclosed in the note 38B i.(i) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the companies included in the Group and of its associate to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies included in the Group and of its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Management of the companies included in the Group and of its associate have represented, that, to the best of their knowledge and belief, as disclosed in the note 38B i.(ii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the companies included in the Group and of its associate from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the companies included in the Group and of its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
(b) The Subsidiary Company has neither declared dividend nor paid during the year.
(c) The Board of Directors of the Associate Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting of the Associate Company. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

3. With respect to respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, its subsidiary issued by one of the joint auditors and its associates issued by other auditors included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except below.

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associates/ Joint Venture	Clause Number of the CARO report which is qualified or adverse
1	IIFL Samasta Finance Limited	U65191KAl995PLC057884	Associates	(xi) (a)

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 22102306AHUECY8663

Place: Mumbai
Date: April 25, 2022

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 22145160AHUEIT3278

Place: Mumbai
Date: April 25, 2022

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH 1 (F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED) OF EVEN DATE)

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

In conjunction with our audit of the Consolidated Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Holding Company"), as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of the Company, its subsidiary and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial reporting of the Holding Company, its subsidiary and its associate companies, which are the companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under sub-section 10 of section 143 of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

Suresh Surana & Associates LLP Chartered Accountants Mumbai

M. P. Chitale & Co. Mumbai C.A.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial reporting of the Holding Company, its subsidiary and its associate company, which are the companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

CHITALE & CO. M. P. MUMBAI C.A.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph below, the Holding Company, its subsidiary and its associate company , which are the companies incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial reporting these Consolidated Financial Statements, in so far as it relates to one subsidiary and one associates is based on the corresponding reports of the auditors of such companies. incorporated in India.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 22102306AHUECY8663

Place: Mumbai
Date: April 25, 2022

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 22145160AHUEIT3278

Place: Mumbai
Date: April 25, 2022

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Millions)

Sr. no.	Particulars	Note no.	As at March 31, 2022
	ASSETS		
1	**Financial Assets**		
(a)	Cash and cash equivalents	4A	13,996.22
(b)	Bank balance other than (a) above	4B	4,332.94
(c)	Receivables	6	
	(I) Trade receivables		369.10
(d)	Loans	7	152,902.21
(e)	Investments	8	4,034.12
(f)	Other financial assets	9	3,578.17
2	**Non-financial Assets**		
(a)	Current tax assets (net)		55.06
(b)	Deferred tax assets (net)	10	641.97
(c)	Investment Property	11A	66.30
(d)	Property, plant and equipment	11B	65.74
(e)	Right of use assets	12A	235.39
(f)	Other intangible assets	12B	1.82
(g)	Other non-financial assets	13	47.74
(h)	Assets held for sale	14	96.99
	Total Assets		**180,423.77**
	LIABILITIES AND EQUITY		
1	**Financial Liabilities**		
(a)	Derivative financial instruments	5	50.58
(b)	Payables	15	
	(I)Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises		-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		509.40
(c)	Finance Lease Obligation	12A	256.37
(d)	Debt securities	16	22,179.86
(e)	Borrowings (other than debt securities)	17	109,449.34
(f)	Subordinated liabilities	18	10,576.86
(g)	Other financial liabilities	19	9,444.46
2	**Non-financial Liabilities**		
(a)	Current tax liabilities (net)		262.54
(b)	Provisions	20	142.66
(c)	Other non-financial liabilities	21	514.80
3	**Equity**		
(a)	Equity share capital	22	209.68
(b)	Other equity	23	26,827.22
(c)	Non-controlling interest		-
	Total liabilities and equity		**180,423.77**
See accompanying notes forming part of the financial statements		1-45	

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: April 25, 2022

M. P. CHITALE & CO. MUMBAI C.A.

IIFL Home Finance Limited

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Millions)

Sr. no.	Particulars	Note no.	FY 2021-22
	Revenue from Operations		
(i)	Interest income	24	18,767.81
(ii)	Fees and commission income	25	769.56
(iii)	Net gain on fair value changes	26	63.16
(iv)	Net gain on derecognition of financial instruments under amortised cost category	27	109.24
(v)	Net gain on derecognition of financial instruments under under FVTOCI	28	1,158.76
(vi)	Net gain on modification of financial instruments under amortised cost category		2.59
(I)	**Total Revenue from Operations**		**20,871.12**
(II)	**Other Income**	29	1,418.14
(III)	**Total Income (I+II)**		**22,289.26**
	Expenses		
(i)	Finance costs	30	10,626.41
(ii)	Impairment on financial instruments, including write-offs	31	1,599.99
(iii)	Employee benefits expenses	32	1,741.82
(iv)	Depreciation, amortization and impairment	11A-12B	74.13
(v)	Other expenses	33	749.45
(IV)	**Total Expenses**		**14,791.80**
(V)	**Profit / (Loss) before tax and share of profit / (loss) of associate (III-IV)**		**7,497.46**
(VI)	**Profit / (loss) from associate accounted for using the Equity Method**		**126.51**
(VII)	**Profit Before Tax (V +VI)**		**7,623.97**
(VIII)	**Tax Expenses:**		
	(i) Current tax	34	1,712.00
	(ii) Deferred tax	10	(35.68)
	(iii) Tax of earlier years	34	13.30
	Total Tax Expenses		**1,689.62**
(IX)	**Profit for the year (VII-VIII)**		**5,934.35**
(X)	**Other Comprehensive Income**		
	A (i) Items that will not be reclassified to profit or loss		
	(a) Remeasurement of defined benefit liabilities/(assets)		1.11
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.28)
	(iii) Share of Other Comprehensive Income of an Associate		(2.07)
	Subtotal (A)		**(1.24)**
	B (i) Items that will be reclassified to profit or loss		
	(a) Cash Flow Hedge (net)		128.35
	(b) Fair value of loans carried at FVTOCI		136.52
	(ii) Income tax relating to items that will be reclassified to profit or loss		(66.66)
	Subtotal (B)		**198.21**
	Other Comprehensive Income (A+B)		**196.97**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**6,131.32**
	Profit for the period attributable to:		
	Shareholders of the company		5,934.35
	Non controlling interest		-
	Other Comprehensive Income for the period attributable to:		
	Shareholders of the company		196.97
	Non controlling interest		-
	Total Comprehensive Income for the period attributable to:		
	Shareholders of the company		6,131.32
	Non controlling interest		-
(XII)	**Earnings per Equity Share of face value of Rs. 10 each**	35	
	Basic (Rs.)		283.02
	Diluted (Rs.)		283.02
	See accompanying notes forming part of the financial statements	**1-45**	

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

Date: April 25, 2022

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

1. As at March 31, 2022

(₹ in Millions)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
209.68	-	-	-	209.68

B. Other Equity

1. As at March 31, 2022

(₹ in Millions)

Particulars	Reserves and Surplus					Other Comprehensive Income			Total	Non-Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the current reporting year	13.49	7,991.57	1,438.60	2,873.70	9,186.35	(6.69)	(166.36)	(5.72)	21,324.94	-
Profit for the year	-	-	-	-	5,934.35	-	-	-	5,934.35	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 1)	-	-	-	-	-	-	96.05	-	96.05	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 2)	-	-	-	-	-	(1.24)	-	-	(1.24)	-
Equity Dividend (Refer Note 3)	-	-	-	-	(629.05)	-	-	-	(629.05)	-
Transfer to Special Reserve (Refer Note 4)	-	-	-	1,156.00	(1,156.00)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	102.17	102.17	-
Balance at the end of the Current reporting year	13.49	7,991.57	1,438.60	4,029.70	13,335.65	(7.93)	(70.31)	96.45	26,827.22	-

1. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
2. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
3. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 30/- per equity share.
4. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

See accompanying notes forming part of the financial statements

As per our reports attached of even date
For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 25, 2022

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Millions)

Particulars	Note No.	FY 2021-22
Cash Flows from Operating Activities		
Profit before tax		7,623.97
Adjustments for:		
Depreciation, amortization and impairment		74.13
Impairment on financial instruments - loans		1,051.60
Interest expense		10,626.41
Interest on Loans		(18,767.81)
Net gain on derecognition of financial instruments		(1,229.72)
Net (gain)/loss on fair value changes		(63.16)
Net (gain)/loss on Sale of assets		0.31
Profit from associate		(126.51)
Interest paid		(12,187.71)
(Gain)/Loss on Modification		(2.59)
Interest received		18,994.82
Operating Profit before Working Capital changes		5,993.74
Changes in Working Capital:		
Adjustments for (increase)/decrease in Other Financial assets		(199.83)
Adjustments for (increase)/decrease in Trade Receivables		(63.52)
Adjustments for (increase)/decrease in Other Non Financial assets		(15.84)
Adjustments for (increase)/decrease in Assets held for sale		42.47
Adjustments for (increase)/decrease in Balances with banks - Lien marked		(37.20)
Adjustments for increase/(decrease) in Trade Payables		157.81
Adjustments for increase/(decrease) in Other financial liabilities		3,590.57
Adjustments for increase/(decrease) in Other non-financial liabilities		(618.81)
Adjustments for increase/(decrease) in Provisions		22.88
Operating Profit after Working Capital changes		8,872.27
Direct Taxes Paid (Refer note below)		(1,658.38)
Cash generated from/ (used in) Operations		7,213.89
Loans (disbursed) / repaid (net)		(8,208.23)
Net cash generated from / (used in) Operating Activities (A)		**(994.34)**
Cash flow from Investing Activities		
Purchase of fixed assets		(71.58)
Sale of fixed assets		4.64
Fixed deposits placed		(17,844.97)
Fixed deposits matured		17,986.20
Purchase of investments		(241,493.00)
Proceeds from sale of investments		239,396.23
Net Cash used in Investing Activities (B)		**(2,022.48)**
Cash flow from Financing Activities		
Dividend paid		(629.05)
Proceeds from Borrowings		43,418.40
Repayment of Borrowings		(38,517.96)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		19,004.53
Repayment of Debt & Sub-Ordinated Debt Securities		(10,342.48)
Payment of interest on lease liabilities		(13.78)
Payment of lease liabilities		(29.89)
Net Cash from/(used in) Financing Activities (C)		**12,889.77**
Net increase in cash and cash equivalents (A+B+C)		**9,872.95**
Cash and cash equivalents as at the beginning of the year		4,123.27
Cash and cash equivalents as at the end of the year		**13,996.22**
See accompanying notes forming part of the financial statements	1-45	

Note: As direct tax paid above is not specifically identifiable into financing and investing activities, they have been shown under operating activities.

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: April 25, 2022

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited) ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a wholly owned subsidiary of IIFL Finance Limited (formerly known as IIFL Holdings Limited). IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The Consolidated financial statements of IIFL Home Finance Ltd ("the Company") and its subsidiary/associates (together hereinafter referred to as "the Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

The Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

i. Control and Significant Influence

Control is achieved when the Company has all the following:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns

Significant Influence

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

ii. Principles of consolidation:

A. The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 (“Act”).

B. The effects of all inter-Group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year by the Group.

C. The financial statements of the subsidiary and associate companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2022.

D. The consolidated financial statements of the Group with subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

E. The investment in associate is accounted for using the equity method of accounting in consolidated financial statement. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments.

F. The excess of cost to the Group of its investments in the subsidiary and associate companies over its share of equity of the subsidiary and associate companies, at the dates on which the investments in the subsidiary and associate companies are made, is recognised as ‘Goodwill’ being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves and Surplus’, in the consolidated financial statements.

iii. List of subsidiary and associate consolidated

Name of the entity	Relationship	Date of Control / Significant influence	Proportion of Ownership Interest (%)
			As at March 31, 2022
IIHFL Sales Limited	Subsidiary	September 28, 2021	100%
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	Associate	June 19, 2020	25%

(c) Presentation of financial statements

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Consolidated Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Group presents its Consolidated Balance Sheet in the order of liquidity.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to millions except when otherwise stated.

(d) Basis of measurements

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

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

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

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

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

(e) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on

Group's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the Group at each reporting date and changes, if any are given effect to.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in consolidated financial statements the Group uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group has applied appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Taxes

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated.

The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

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

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Consolidated Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Consolidated Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

iv. Other Income

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

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

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

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

For transition to Ind AS, the Group has elected to adopt as deemed cost, the opening written down value as per Previous GAAP on the transition date of April 1, 2017.

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

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

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Consolidated Balance Sheet are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Consolidated Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

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

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Group
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

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

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

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

(f) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

The Group repossess properties or other assets to settle outstanding recoverable and the surplus (if any) post auction is refunded to the obligors. These assets physically acquired by the Group under SARFASI Act, 2002 and sale is highly probable has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the Group is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

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

Recoverable amount is the higher of fair value less costs of disposal and value in use.
If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Consolidated Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

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

(h) Employee benefits

i. Defined contribution plans

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

ii. Defined benefit plans

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

Postemployment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Consolidated Statement of Profit and Loss.

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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

(i) Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

As a lessee

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

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

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

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

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

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(j) Taxes on income

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

(k) Financial instruments

Recognition and Initial Measurement

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Consolidated Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Consolidated Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Consolidated Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Consolidated Statement of Profit and Loss. The gain or loss on disposal is recognised in the Consolidated Statement of Profit and Loss.

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Interest income is recognised in the Consolidated Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL. The Group may make an irrevocable election to present certain equity investments measured at fair value through other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Group may transfer the cumulative gain or loss within equity.

Reclassifications

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Consolidated Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

Original classification	Revised classification	Accounting treatment
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Consolidated Statement of Profit and Loss at the reclassification date.

Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Group records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the Group records an allowance for the life time expected credit losses.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

- Loss given default ("LGD") estimates the normalised loss which Group incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group measures the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's

Suresh Surana & Associates LLP Chartered Accountants Mumbai

M.P. Chitale & Co. Mumbai C.A.

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previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Consolidated Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Consolidated Statement of Profit and Loss and the corresponding loan is derecognised from the Consolidated Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Group retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Group continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

(l) Derivative financial instrument

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(n) Goods and service tax input credit

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

(o) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(p) Foreign currencies

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Group and makes strategic decision.

(r) Provisions, contingent liabilities and contingent assets

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

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

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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

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

(s) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(u) Statement of Cash Flows

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

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

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

(v) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Group's Board of Directors.

(w) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

Note 3A. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its standalone financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Note 4A. Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2022
Cash and cash equivalents	
Cash on hand	9.26
Balance with banks	
-In current accounts	1,655.28
Fixed deposits (original maturity less than or equal to three months)	12,331.68
Cash and cash equivalents	**13,996.22**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2022
Other bank balances	
In earmarked accounts	
- Unclaimed interest and redemption proceeds of NCDs and other earmarked balances	51.78
Fixed deposits (original maturity less than or equal to three months) - lien marked	1,500.73
Fixed deposits (original maturity more than three months)	2,780.43
Total	**4,332.94**

Out of the fixed deposits shown above:

(₹ in Millions)

Particulars	As at March 31, 2022
Lien marked	2,312.60
Margin for credit enhancement	1,968.56
Total	**4,281.16**

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Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 5. Derivatives financial instruments

(₹ in Millions)

Part I	As at March 31, 2022		
	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:			
-Cross currency interest rate swaps	3,630.75	-	50.58
Subtotal (i)	**3,630.75**	**-**	**50.58**
(ii) Other derivatives			
-Forward exchange contract	-	-	-
Subtotal (ii)	**-**	**-**	**-**
Total derivative (i+ii)	**3,630.75**	**-**	**50.58**

(₹ in Millions)

Part II	As at March 31, 2022		
	Notional amounts	Fair value - assets	Fair value - liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:			
(i) Cash flow hedging:			
- Currency derivatives	3,630.75	-	50.58
(ii) Undesignated derivatives	-	-	-
Total derivative financial instruments (i+ii)	**3,630.75**	**-**	**50.58**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1.

(₹ in Millions)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2022						
Derivative asset	-	-	-	-	-	-
Derivative liabilities	**3,630.75**	**50.58**	-	-	3,630.75	50.58

5.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Group is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 50 Millions (March 31, 2021 USD 50 Millions). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Group hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Group uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Group uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Millions)

Particulars	As at March 31, 2022
Notional amount	3,630.75
Carrying amount	50.58
Line item in the statement of financial position	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	96.04

(₹ in Millions)

Impact of hedging item	FY 2021-22
Change in fair value	96.04
Cash flow hedge reserve	96.04
Cost of hedging	-

(₹ in Millions)

Effect of Cash flow hedge	FY 2021-22
Total hedging gain / (loss) recognised in OCI	96.04
Line item in the statement of profit or loss	-

(₹ in Millions)

Particulars	FY 2021-22
(Gain)/Loss On Swap Transaction	241.50
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(113.16)
Tax implication on above	(32.30)
Total	**96.04**

Note 6. Receivables

(₹ in Millions)

Particulars	As at March 31, 2022
(i) Trade receivables	
Receivables considered good - unsecured	366.02
Receivables considered good - significant increase in credit risk	3.85
Total - gross	**369.87**
Less: Impairment loss allowance	(0.77)
Total	**369.10**

No trade receivables are due from Directors or any other officers of the Group either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.
Trade Receivables are not interest bearing.

Trade Receivables aging schedule (₹ in Millions)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 6 Months	
As at March 31, 2022			
Undisputed Trade receivables – considered good.	25.80	340.22	366.02
Undisputed Trade receivables – significant increase in credit risk	-	3.85	3.85

Note 7. Loans

(₹ in Millions)

Particulars	As at March 31, 2022		
	Amortised cost	FVTOCI	Total
	1	2	(3=1+2)
Loans			
(A)			
(i) Term loans	129,502.40	29,127.20	158,629.60
Total (A) - Gross	**129,502.40**	**29,127.20**	**158,629.60**
Less: Impairment loss allowance	(5,454.19)	(273.20)	(5,727.39)
Total (A) - Net	**124,048.21**	**28,854.00**	**152,902.21**
(B)			
(i) Secured by tangible assets	127,017.53	29,127.20	156,144.73
(ii) Secured by Government Guarantee	2,424.04	-	2,424.04
(iii) Unsecured	60.83	-	60.83
Total (B) - Gross	**129,502.40**	**29,127.20**	**158,629.60**
Less: Impairment loss allowance	(5,454.19)	(273.20)	(5,727.39)
Total (B) - Net	**124,048.21**	**28,854.00**	**152,902.21**
(C)			
Loans in India	**129,502.40**	**29,127.20**	**158,629.60**
(i) Public sector	-	-	-
(ii) Others	129,502.40	29,127.20	158,629.60
Less: Impairment loss allowance	(5,454.19)	(273.20)	(5,727.39)
Total (C) - Net	**124,048.21**	**28,854.00**	**152,902.21**

The above Term Loans includes ₹ 2,101.53 Millions towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.
b. Secured loans include loans aggregating in ₹ 6.28 Millions in respect of which the creation of security is under process.

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

Note 7.1:
The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which the COVID-19 pandemic will continue to impact the Group's results will depend on ongoing as well as future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

Note 7.2:
On 12 November 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22, allowing the company to put in place the necessary system to implement the provisions till 30 September 2022. The Company has continued to classify accounts as NPA as per RBI circular dated 12 November 2021 and aligned its definition of default from month end process to Days Past Due on day end process basis . However, the aforesaid classification/ alignment does not have any significant impact on the Expected Credit Loss model and consequently on the financial statements for the year ended March 31, 2022.

Note 7.3:
The Group has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

Note 8. Investments

(₹ in Millions)

Particulars	As at March 31, 2022			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
Alternate Investment Funds	1,440.00	-	-	1,440.00
Debt securities	-	95.91	-	95.91
Equity instruments	-	-	2,498.21	2,498.21
Total – Gross (A)	**1,440.00**	**95.91**	**2,498.21**	**4,034.12**
(B)				
(i) Investments in India	1,440.00	95.91	2,498.21	4,034.12
Total (B)	**1,440.00**	**95.91**	**2,498.21**	**4,034.12**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**1,440.00**	**95.91**	**2,498.21**	**4,034.12**

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2022	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Alternate Investment Funds		
IIFL One Value Fund Series B	134,313,931	1,440.00
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	95.91
Equity instruments in Associate (Refer Note 8.1.1)		
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	124,555,797	2,498.21

Note 8.1.1 Equity instruments in Associate

The Group's interest in IIFL Samasta Finance Limited is accounted for using the equity method in the consolidated financial statements. The following table summarises the financial information of IIFL Samasta Finance Limited as included in its own financial statements.

(₹ in Millions)

Summarised balance sheet	As at March 31, 2022
Financial Assets	62,996.37
Non-financial Assets	947.93
Financial Liabilities	53,756.01
Non-financial Liabilities	195.46
Equity	9,992.83
Proportion of the Group's ownership	25%
Carrying amount of the investment excluding Capital Reserve	2,484.72
Capital Reserve	13.49
Carrying amount of the investment	2,498.21

(₹ in Millions)

Summarised statement of profit or loss	As at March 31, 2022
Total income	10,199.28
Total expenses	9,609.83
Profit / (loss) before tax	589.45
Tax expense	83.41
Profit / (loss) for the year	506.04
Total comprehensive income / (loss)	497.76
Share in profit / (loss) of associates	126.51
Share in profit / (loss) of associates in other comprehensive income	(2.07)

The associate had no significant contingent liabilities or capital commitments as at March 31, 2022

(₹ in Millions)

Particulars	As at March 31, 2022
Opening Carrying amount of Investment	1,623.77
Add: Carrying amount of additional share of Investments	750.00
Add: Share of Total Comprehensive Income for the year	124.44
Closing Carrying amount of Investment	2,498.21

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Note 9. Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2022
Security deposits	
- Unsecured, considered good	26.97
- Unsecured, considered doubtful	8.04
Less: Provisions (Refer Note 9.1 below)	(8.04)
Interest strip asset on assignment	3,030.48
Other receivables	520.72
Total	**3,578.17**

Note 9.1. Provision on Security Deposits (₹ in Millions)

Particulars	As at March 31, 2022
Opening provision	8.46
Additions	-
Reductions	(0.42)
Closing provision	**8.04**

Note 10. Deferred tax assets (Net)

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

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	6.84	(0.49)	-	6.35
Provisions for expected credit losses	1,016.64	264.67	-	1,281.31
Provision for employee benefits	12.55	4.18	(0.28)	16.45
Fair value of derivative financial instruments	73.50	-	(60.78)	12.72
Right of use of Assets and lease liabilities	4.49	2.36	-	6.85
Adjustment pertaining to income and expenses recognition based on effective interest rate	161.94	39.77	-	201.71
Total deferred tax assets (A)	**1,275.96**	**310.49**	**(61.06)**	**1,525.39**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(76.60)	(11.66)	-	(88.26)
Interest spread on assigned loans	(499.57)	(263.15)	-	(762.72)
Fair value of financial instruments	1.92	-	(34.36)	(32.44)
Total deferred tax liabilities (B)	**(574.25)**	**(274.81)**	**(34.36)**	**(883.42)**
Deferred tax assets (A+B)	**701.71**	**35.68**	**(95.42)**	**641.97**

Note 11A. Investment Property

(₹ in Millions)

Particulars	Buildings
As at April 01, 2021	**74.84**
Additions	-
Deductions/Adjustments	-
As at March 31, 2022	**74.84**
Accumulated Depreciation	
As at April 01, 2021	**4.79**
Depreciation for the year	3.75
Deductions/Adjustments	-
As at March 31, 2022	**8.54**
Net Block as at March 31, 2022	**66.30**

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ in Millions)

Particulars	Buildings
As at April 01, 2021	**86.83**
Additions to fair value	-
Changes in the fair value (including sale)	0.97
As at March 31, 2022	**87.80**

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an Independent Un-registered Valuer. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used.

Note 11A.2. Title deeds of Immovable Property not held in name of the Company

(₹ in Millions)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	27.50	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	47.34	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Non-current assets held for sale (Refer Note 14)	Building (19 Properties)	96.99	Borrowers to whom loans were given	No	Repossessed between August 2017 to December 2020	Properties repossessed under SARFAESI Act.

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed

Note 11B. Property, Plant and Equipment

(₹ in Millions)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Total
As at April 01, 2021	**0.86**	**12.31**	**8.05**	**6.39**	**52.19**	**79.80**
Additions	-	4.15	1.84	2.55	62.20	**70.74**
Deductions/Adjustments	-	1.20	0.37	1.23	11.37	**14.17**
As at March 31, 2022	**0.86**	**15.26**	**9.52**	**7.71**	**103.02**	**136.37**
Accumulated Depreciation						
As at April 01, 2021	**-**	**7.54**	**5.00**	**3.97**	**38.45**	**54.96**
Depreciation for the year	-	3.00	1.46	2.18	18.09	**24.73**
Deductions/Adjustments	-	0.96	0.21	1.05	6.83	**9.05**
As at March 31, 2022	**-**	**9.58**	**6.24**	**5.10**	**49.71**	**70.64**
Net Block as at March 31, 2022	**0.86**	**5.68**	**3.28**	**2.61**	**53.31**	**65.74**

* The above Freehold Land is hypothecticated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

Statement showing movement in lease liabilities

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2021	**144.54**	**4.49**	**149.03**
Additions	129.95	11.19	**141.14**
Deductions/Adjustments	-	-	**-**
Finance cost accrued during the year	14.56	0.83	**15.39**
Payment of lease liabilities	42.72	6.47	**49.19**
As at March 31, 2022	**246.33**	**10.04**	**256.37**

Statement showing carrying value of right of use assets

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at April 01, 2021	**131.79**	**3.97**	**135.76**
Additions	132.58	11.20	**143.78**
Deductions/Adjustments	0.12	-	**0.12**
Depreciation	38.41	5.62	**44.03**
As at March 31, 2022	**225.84**	**9.55**	**235.39**

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Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Millions)

Particulars	As at March 31, 2022
Current lease liabilities	62.42
Non- Current lease liabilities	193.95

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Millions)

Particulars	As at March 31, 2022
Due for	
Up to One year	75.46
One year to Two years	74.56
Two to Five years	122.46
More than Five years	60.42
Total	**332.90**

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2021-22
Interest on lease liabilities	15.39
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.65
Total	**17.04**

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Millions)

Particulars	As at March 31, 2022
Payment of interest on lease liabilities	13.78
Payment of lease liabilities	29.89
Total cash outflows for leases	**43.67**

Note 12B. Other Intangible Assets

(₹ in Millions)

Particulars	Computer Software
As at April 01, 2021	**9.99**
Additions	2.18
Deductions/Adjustments	-
As at March 31, 2022	**12.17**
Accumulated Depreciation	
As at April 01, 2021	**8.73**
Depreciation For the year	1.62
Deductions/Adjustments	-
As at March 31, 2022	**10.35**
Net Block as at March 31, 2022	**1.82**

The Group has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

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Note 13. Other Non Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2022
Capital Advances	0.65
Prepaid Expenses	40.50
Others	5.56
Retirement benefit assets (Refer note 32.2)	1.03
Total	**47.74**

Note 14. Assets held for Sale

(₹ in Millions)

Particulars	As at March 31, 2022
Assets held for sale	96.99

The Company follows various collection mechanisms for recovery of dues from the borrowers, which involves initiating SARFAESI, actual/physical repossession of assets after eviction in lieu of the loan outstanding and subsequent sale of repossessed assets via auction process in case of default by the borrowers. The Company's endeavour is to sell the re-possessed assets, in a public auction and realise the sale proceeds to recover the Loan amount outstanding at the earliest. The Customer has all opportunity to repay the Loan amount before finalization of sale of the property and take back the possession. Since borrowers may settle the loans and in such cases, the property is handed back to them(in case the property is not yet sold in auction), the Company's management is of the view that acquiring such properties does not change the nature of the assets and that such re-possessed assets continue to be classified as financial assets. Therefore, such re-possessed properties are not classified as Assets Held for Sale as per IND AS 105. Expert Advisory Committee of the Institute of Chartered Accountants of India has been approached by the Company for an opinion in the classification of such repossessed assets as "Non- Current Assets Held For Sale", which is awaited.

Note 15. Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	509.40
Total	**509.40**

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Millions)

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

No interest has been paid / is payable by the Group during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

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Trade Payables aging schedule **(₹ in Millions)**

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 1 Year	
As at March 31, 2022			
(i) MSME	-	-	-
(ii) Others	483.06	26.34	**509.40**

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

Note 16. Debt Securities

(₹ in Millions)

Particulars	At Amortised Cost
	As at March 31, 2022
Secured:	
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	21,440.44
Total (A)	**21,440.44**
Unsecured:	
Commercial Paper - (Refer Note 16.1)	739.42
Total (B)	**739.42**
Total (A+B)	**22,179.86**
Debt securities in India	22,179.86
Debt securities outside India	-

a. The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 281.25 Millions (May 15, 2022), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024).

Note 16.1 - Terms of repayment

(₹ in Millions)

Residual Maturity	As at March 31, 2022	
	Amount	Rate of Interest / Yield
Secured NCD (A)		
(a) Fixed:		
More than 5 years	13,605.15	5.00 % - 9.18%
3- 5 Years	2,082.50	8.20 % - 10.33%
1-3 Years	2,257.16	8.25%
Less than 1 year	373.15	5.00% - 9.87%
Sub-Total (a)	**18,317.96**	
(b) Floating:		
More than 5 years	-	-
3- 5 Years	-	-
1-3 Years	-	-
Less than 1 year	290.73	7.51%
Sub-Total (b)	**290.73**	
Total Secured NCD A=(a+b)	**18,608.69**	
Secured Zero Coupon (B)		
More than 5 years	37.13	8.75%
3- 5 Years	42.48	8.50%
1-3 Years	1,208.49	8.25% - 10.30%
Less than 1 year	1,543.63	9.35% - 9.55 %
Total Secured Zero Coupon (B)	**2,831.73**	
Unsecured (C)		
Commercial Paper		
Less than 1 year	739.42	6.30% - 6.35%
Total (A+B+C)	**22,179.85**	

Note 16.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2022
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	240.00
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	298.00
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	281.25
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	580.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	501.89
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	200.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	150.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	150.00
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	180.00
8.62% Secured Redeemable Non Convertible Debentures. Series.Series D4. Maturity Date: 12/03/2028	8.62%	190.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	3,000.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030.	8.69%	3,000.00
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity 16/04/2029	8.70%	360.00
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity 14/05/2030	8.70%	1,090.00
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity 28/09/2026	8.20%	1,120.00
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche Ii. Date Of Maturity 03/01/2025	8.25%	2,257.16
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity 03/01/2025.	8.25%	267.33
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iii Tranche Ii. Date Of Maturity 03/01/2027	8.20%	526.52
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iv Tranche Ii. Date Of Maturity 03/01/2027	8.50%	135.98
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity 03/01/2027.	8.50%	42.49
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vi Tranche Ii. Date Of Maturity 03/01/2029.	8.43%	537.36
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	221.77
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	55.27
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030	8.59%	4,333.00
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad Ii. Date Of Maturity 28/02/2031	5.00%	747.00
Total		**20,465.02**

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	At Amortised Cost
	As at March 31, 2022
Secured:	
(a) Term loans	
(i) from Banks (Refer Note (a), (b) and 17.1)	69,249.42
(ii) from NHB (Refer Note (a), (b) and 17.2)	27,637.08
(iii) from Financial Institution (Refer Note (b) and 17.3)	8,269.92
(b) Securitisation Liability (Refer Note 17.4)	4,172.92
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	120.00
Total	**109,449.34**
Borrowings in India	105,558.27
Borrowings outside India	3,891.07
Total	**109,449.34**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 533.33 Millions and Refinance Facility from NHB amounting to ₹ 7,921.63 Millions are also guaranteed by Holding Company i.e. IIFL Finance Limited

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Millions)

Residual Maturity	As at March 31, 2022	
	Amount	Rate of Interest / Yield
Floating:		
More than 5 years	9,579.81	7.70 % - 9.50 %
3- 5 Years	12,805.74	7.70 % - 9.50 %
1-3 Years	26,972.42	7.40 % - 10.00%
Less than 1 year	19,891.44	7.35% - 10.00%
Total	**69,249.42**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Millions)

Residual Maturity	As at March 31, 2022	
	Amount	Rate of Interest / Yield
Fixed:		
More than 5 years	6,526.38	2.94 % - 6.85 %
3- 5 Years	5,941.46	2.94 % - 8.18 %
1-3 Years	10,399.38	2.94 % - 8.18 %
Less than 1 year	4,769.86	2.94 % - 8.80 %
Total	**27,637.08**	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Millions)

Residual Maturity	As at March 31, 2022	
	Amount	Rate of Interest / Yield
Floating:		
More than 5 years	4,385.20	8.50 % - 9.00 %
3- 5 Years	1,782.70	8.50 % - 9.00 %
1-3 Years	1,496.53	8.50 % - 9.00 %
Less than 1 year	605.49	8.50 % - 9.00 %
Total	**8,269.92**	

Note 17. 4 - Terms of repayment of other loans

(₹ in Millions)

Residual Maturity	As at March 31, 2022	
	Amount	Rate of Interest / Yield
Floating:		
Cash credit / Overdraft from Banks (A)		
Less than 1 year	120.00	7.20%
Securitisation Liability (B)		
More than 5 years	3,189.45	6.35% - 7.80%
3- 5 Years	391.62	6.35% - 7.80%
1-3 Years	442.64	6.35% - 7.80%
Less than 1 year	149.21	6.35% - 7.80%
Sub-Total - Securitisation Liability	**4,172.92**	
Total (A+B)	**4,292.92**	

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Note 18. Subordinated liabilities

(₹ in Millions)

Particulars	At Amortised Cost
	As at March 31, 2022
Non-convertible debentures - Unsecured	10,576.86
Total	**10,576.86**
Subordinated Liabilities in India	10,576.86
Subordinated Liabilities outside India	-
Total	**10,576.86**

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024), ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025).

Note 18.1 - Terms of repayment of Subordinated Debt (₹ in Millions)

Residual Maturity	As at March 31, 2022	
	Amount	Rate of Interest / Yield
(a) Fixed:		
More than 5 years	8,067.49	8.85% - 10.02%
3- 5 Years	-	-
1-3 Years	650.00	8.93% - 9.30%
Less than 1 year	129.06	8.51% - 9.60%
Total Fixed	**8,846.55**	
(b) Zero Coupon:		
More than 5 years	1,730.31	9.40%
Total (a+b)	**10,576.86**	

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2022, 95% of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2022
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	500.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	150.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	750.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	100.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	400.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	300.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	1,265.16
10% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity : 03/11/2028	10.00%	2,327.22
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Ii.Date Of Maturity : 03/11/2028	9.60%	3,828.24
Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Iii.Date Of Maturity : 03/11/2028	10.02%	402.78
Total		**10,023.40**

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 19. Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2022
Book overdraft*	7,468.06
Unclaimed interest and redemption proceeds of NCDs**	12.40
Other Payables#	1,964.00
Total	**9,444.46**

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks as on March 31, 2022.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 1.83 Millions to the Investor Education and Protection Fund (IEPF). As of March 31, 2022, ₹ 0.12 Millions was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.37 Millions.

2. In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2022 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ in Millions)

Particulars	As at March 31, 2022
Provisions for Employee Benefits	
-Provision for Leave Encashment	55.21
-Provision for Gratuity	0.45
-Provision for Bonus	87.00
Total	**142.66**

Note 20.1. Provision for Leave Encashment (₹ in Millions)

Particulars	As at March 31, 2022
Opening provision	47.76
Additions	18.30
Reductions	(10.85)
Closing provision	**55.21**

Note 20.2. Provision for Gratuity (₹ in Millions)

Particulars	As at March 31, 2022
Opening provision	-
Additions	0.45
Reductions	-
Closing provision	**0.45**

Note 20.3. Provision for Bonus (₹ in Millions)

Particulars	As at March 31, 2022
Opening provision	78.02
Additions	87.00
Reductions	(78.02)
Closing provision	**87.00**

Note 21. Other Non Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2022
Statutory remittances	113.57
Unspent CSR (Refer note no 38A)	30.30
Advances from borrowers	370.88
Income received in advance	0.05
Total	**514.80**

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Note 22. Equity

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

(₹ in Millions)

Particulars	As at March 31, 2022
Authorised Share Capital	
152,000,000 Equity Shares of ₹10/- each with voting rights	1,520.00
20,000,000 Preference Shares of ₹10/- each	200.00
Total	**1,720.00**
Issued, Subscribed and Paid Up	
Equity Share Capital	
20,968,181 Equity Shares of ₹10/- each fully paid-up	209.68
Total	**209.68**

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

(₹ in Millions)

Particulars	As at March 31, 2022	
	No. of shares	Amount
At the beginning of the year	20,968,181	209.68
Add: Issued during the year	-	-
Outstanding at the end of the year	**20,968,181**	**209.68**

(c) Terms/rights attached to equity shares:

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

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

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

Particulars	As at March 31, 2022	
	No. of shares	% holding
Equity shares of 10 each fully paid		
IIFL Finance Limited and its nominees	20,968,181	100.00%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2022	IIFL Finance Limited	20,968,181	100.00%	-

* Shares held by IIFL Finance Limited and its nominees. The shareholding of nominees is 600 shares.

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IIFL Home Finance Limited

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

23. Other Equity

1. As at March 31, 2022

(₹ in Millions)

Particulars	Reserves and Surplus					Other Comprehensive Income			Total	Non-Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI		
Balance at the beginning of the current reporting year	**13.49**	**7,991.57**	**1,438.60**	**2,873.70**	**9,186.35**	**(6.69)**	**(166.36)**	**(5.72)**	**21,324.94**	-
Profit for the year	-	-	-	-	5,934.35	-	-	-	**5,934.35**	-
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 1)	-	-	-	-	-	-	96.05	-	**96.05**	-
Remeasurement of defined benefit (Net of Tax) (Refer Note 2)	-	-	-	-	-	(1.24)	-	-	**(1.24)**	-
Equity Dividend (Refer Note 3)	-	-	-	-	(629.05)	-	-	-	**(629.05)**	-
Transfer to Special Reserve (Refer Note 4)	-	-	-	1,156.00	(1,156.00)	-	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	-	102.17	**102.17**	-
Balance at the end of the Current reporting year	**13.49**	**7,991.57**	**1,438.60**	**4,029.70**	**13,335.65**	**(7.93)**	**(70.31)**	**96.45**	**26,827.22**	-

1. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
2. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
3. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 30/- per equity share.
4. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

Note 24. Interest Income

(₹ in Millions)

Particulars	FY 2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	2,098.64	16,468.32	18,566.96
Interest income from investments	-	9.01	9.01
Interest on deposits with Banks	-	191.84	191.84
Total	**2,098.64**	**16,669.17**	**18,767.81**

Note 25. Fees and Commission Income

(₹ in Millions)

Particulars	FY 2021-22
Fees & Other Charges	616.93
Insurance Commission	152.63
Total	**769.56**

Note 26. Net Gain on Fair Value Changes

(₹ in Millions)

Particulars	FY 2021-22
Net gain on financial instruments at FVTPL	
On trading portfolio	
- Investments	63.16
Total Net gain on fair value changes	**63.16**
Fair Value changes:	
-Realised	63.16
Total Net gain on fair value changes	**63.16**

Note 27 Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Millions)

Particulars	FY 2021-22
Foreclosure of loans	70.96
Bad debts recovery	38.28
Total	**109.24**

Note 28 Net gain on derecognition of financial instruments under FVTOCI

(₹ in Millions)

Particulars	FY 2021-22
Assignment of loans	1,045.58
Foreclosure of loans	113.18
Total	**1,158.76**

Note 29. Other Income

(₹ in Millions)

Particulars	FY 2021-22
Profit on sale of Assets	15.39
Marketing, advertisement and support service fees	1,396.00
Interest on Income Tax Refund	6.75
Total	**1,418.14**

Note 30. Finance Costs

(₹ in Millions)

Particulars	On Financial liabilities measured at Amortised Cost
	FY 2021-22
Interest on inter-corporate deposits	202.32
Interest on borrowings (other than debt securities)	7,957.67
Interest on debt securities	1,464.36
Interest on subordinated liabilities	801.61
Other interest expense	
Interest on lease liabilities	15.39
Other borrowing cost	185.06
Total	**10,626.41**

Statement showing exchange fluctuation on account of foreign currency borrowings measured through Other Comprehensive Income:

(₹ in Millions)

Particulars	FY 2021-22
Revaluation Gain/(Loss) on Foreign currency loan	(113.16)
Recognised in Other Comprehensive Income	113.16

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Millions)

Particulars	FY 2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	16.67	1,034.93	1,051.60
Bad debts written off	-	548.39	548.39
Total	**16.67**	**1,583.32**	**1,599.99**

Note 32. Employee Benefits Expenses

(₹ in Millions)

Particulars	FY 2021-22
Salaries and wages	1,604.82
Contribution to provident and other funds (Refer Note 32.1)	64.15
Leave Encashment	17.31
Gratuity (Refer Note 32.2)	16.38
Staff welfare expenses#	39.16
Total	**1,741.82**

#The Group company i.e. IIFL Finance Limited and IIFL Securities Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 11.30 Millions during the year on account of such costs and the same is forming part of Employee benefit expenses.

32.1 Defined Contribution Plans:

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

(₹ in Millions)

Particulars	FY 2021-22
Contribution to Provident fund	33.11
Contribution to ESIC	4.37
Contribution to Labour Welfare Fund	0.28
Group contribution to EPS	24.01
Group contribution to NPS	2.38
Total	**64.15**

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

Particulars	FY 2021-22
Type of Benefit	Gratuity
Country	India
Reporting Currency	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded
Starting Year	01-04-21
Date of Reporting	31-03-22
Period of Reporting	12 Months

Assumptions (Current Year)

Particulars	FY 2021-22
Expected Return on Plan Assets	6.98%
Rate of Discounting	6.98%
Rate of Salary Increase	9.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Millions)

Particulars	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	82.05
Interest Cost	5.62
Current Service Cost	16.33
Past Service Cost	-
Liability Transferred In/ Acquisitions	0.48
Liability Transferred Out/ Divestment	(0.83)
Benefit Paid Directly by the Employer	(0.02)
Benefit Paid From the Fund	(6.17)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.02
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(2.14)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(1.42)
Present Value of Benefit Obligation at the End of the Year	**93.92**

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Table Showing Change in the Fair Value of Plan Assets

(₹ in Millions)

Particulars	FY 2021-22
Fair Value of Plan Assets at the Beginning of the Year	87.96
Interest Income	6.02
Contributions by the Employer	9.57
Benefit Paid from the Fund	(6.17)
Return on Plan Assets, Excluding Interest Income	(2.43)
Fair Value of Plan Assets at the End of the Year	**94.95**

Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2022
Present Value of Benefit Obligation at the end of the Year	93.92
Fair Value of Plan Assets at the end of the Year	94.95
Funded Status Surplus/ (Deficit)	1.03
Net (Liability)/Asset Recognised in the Balance Sheet	**1.03**

Net Interest Cost

(₹ in Millions)

Particulars	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	82.05
Fair Value of Plan Assets at the Beginning of the Year	(87.96)
Net Liability/(Asset) at the Beginning of the Year	**(5.91)**
Interest Cost	5.62
Interest Income	(6.02)
Net Interest Cost	**(0.40)**

Expenses Recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2021-22
Current Service Cost	16.33
Net Interest Cost	(0.40)
Past Service Cost	-
Expenses Recognised	**15.93**

One of our subsidiary Company i.e. IIHFL Sales Limited has provided gratuity on a full liability basis.

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ in Millions)

Particulars	FY 2021-22
Actuarial (Gains)/Losses on Obligation For the Year	(3.54)
Return on Plan Assets, Excluding Interest Income	2.43
Net (Income)/Expense For the Year Recognised in OCI	**(1.11)**

Balance Sheet Reconciliation

(₹ in Millions)

Particulars	As at March 31, 2022
Opening Net Liability	(5.91)
Expenses Recognised in Statement of Profit and Loss	15.93
Expenses Recognised in OCI	(1.11)
Net Liability/(Asset) Transfer In	0.48
Net (Liability)/Asset Transfer Out	(0.83)
Benefit Paid directly by the Employer	(0.02)
Employer's Contribution	(9.57)
Net Liability/(Asset) Recognised in the Balance Sheet	**(1.04)**

Category of Assets

(₹ in Millions)

Particulars	As at March 31, 2022
Insurance fund	94.95
Total	**94.95**

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Ind AS 19 “Employee Benefits”.

Other Details

(₹ in Millions)

Particulars	FY 2021-22
Prescribed Contribution For Next Year (12 Months)	17.61

Net Interest Cost for Next Year

(₹ in Millions)

Particulars	FY 2021-22
Present Value of Benefit Obligation at the End of the Year	93.92
Fair Value of Plan Assets at the End of the Year	(94.95)
Net Liability/(Asset) at the End of the Year	**(1.03)**
Interest Cost	6.56
Interest Income	(6.63)
Net Interest Cost for Next Year	**(0.07)**

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

(₹ in Millions)

Particulars	FY 2021-22
Current Service Cost	18.64
Net Interest Cost	(0.07)
Expected Contributions by the Employees	-
Expenses Recognised	**18.57**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	FY 2021-22
Projected Benefits Payable in Future Years From the Date of Reporting	
1st Following Year	0.79
2nd Following Year	0.95
3rd Following Year	1.07
4th Following Year	1.18
5th Following Year	1.46
Sum of Years 6 To 10	10.36
Sum of Years 11 and above	354.59

Sensitivity Analysis

(₹ in Millions)

Particulars	FY 2021-22
Projected Benefit Obligation on Current Assumptions	93.92
Delta Effect of +1% Change in Rate of Discounting	(14.69)
Delta Effect of -1% Change in Rate of Discounting	18.14
Delta Effect of +1% Change in Rate of Salary Increase	12.87
Delta Effect of -1% Change in Rate of Salary Increase	(11.54)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.06)
Delta Effect of -1% Change in Rate of Employee Turnover	2.34

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note 33. Other Expenses

(₹ in Millions)

Particulars	FY 2021-22
Advertisement	43.48
Loan processing expenses	39.93
Marketing expenses	47.72
Bank charges	13.21
Communication	13.87
Electricity	15.74
Rating and custodian fees	11.36
Legal & professional fees	161.93
Commission & sitting fees	5.31
Miscellaneous expenses	6.29
Office expenses	74.33
Postage & courier	13.98
Printing & stationary	15.89
Rates & taxes	0.25
Rent (Refer note 12A)	45.12
Repairs & maintenance	7.18
Payments to auditors*	6.65
Software charges	60.78
Security expenses	16.48
Travelling & conveyance	43.96
Corporate Social Responsibility (CSR) expenses (Refer note 38A)	105.68
Loss on sale of assets	0.31
Total	**749.45**

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IIFL Home Finance Limited

***Payments to auditors** **(₹ in Millions)**

Particulars	FY 2021-22
Audit Fees	3.42
Limited Reviews	1.14
Other matters and certification	1.77
Out of Pocket Expenses	0.32
Total as per Statement of Profit and Loss	**6.65**
Amount paid towards certification required under for its Public Issue of Non Convertible Debentures which has been amortised using Effective Interest Rate Method over the tenure of the debenture	7.55
Total	**14.20**

Note 34. Income taxes

Amounts recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2021-22
Current tax expense	
Current year	1,712.00
Tax of earlier years	13.30
Deferred tax expense	
Origination and reversal of temporary differences	(35.68)
Total	**1,689.62**

Reconciliation of total tax expense

(₹ in Millions)

Particulars	FY 2021-22
Profit before tax	**7,497.46**
Tax using the domestic tax rate	1,886.96
Tax effect of:	
Non-deductible expenses	28.41
Tax-exempt income (includes deduction u/s 80JJAA)	(241.63)
Tax on Dividend	-
Income taxed at different rates	-
Recognition of previously unrecognised deductible temporary differences	-
Adjustments for current tax for prior periods	13.30
De-Recognition of previously recognised deductible temporary differences	2.59
Total income tax expense	**1,689.63**

Note 35. Earnings Per Share:

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

(₹ in Millions)

Particulars		FY 2021-22
Nominal value of equity shares in ₹ fully paid up		10
BASIC		
Profit after tax as per Statement of Profit and Loss	A	5,934.35
Weighted Average Number of Equity Shares Outstanding	B	20,968,181
Basic EPS (In ₹) (i)	**A/B**	**283.02**
DILUTED		
Weighted Average Number of Equity shares for computation of diluted EPS	C	20,968,181
Diluted EPS (In ₹) (i)	**A/C**	**283.02**

Note 36. Capital / Other Commitments and Contingent Liabilities at Balance Sheet date

a. Commitments: As at the balance sheet date there were undrawn credit commitments of ₹ 16,895.64 Millions representing the loan amounts sanctioned but not disbursed.

b. Contingent Liabilities:

i. Claim against the Group not acknowledged as debt ₹ 1.58 Millions.

ii. Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 1,956.72 Millions and ₹ 233.40 Millions respectively.

Note 37. Disclosure as per Ind AS -108 "Operating Segments"

The Group's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Group revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

Note 38A. Corporate Social Responsibility

The Group was required to spend ₹ 105.00 Millions towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ in Millions)

Particulars	FY 2021-2022		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	75.38	30.30	105.68
(b) Shortfall at the end of the year*	-	30.30	30.30
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	75.38	30.30	105.68

*The Company during the year had contributed towards the ongoing projects to IIFL Foundation and which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount has been transferred to a separate Bank account on April 08, 2022 and will be spent during the FY 2022-23

One of our subsidiary company i.e. IIHFL Sales Limited has been incorporated in current Financial Year therefore CSR is not applicable on the same.

(i) The aforementioned amount spent during the year has been contributed to India Infoline Foundation and others.

(ii) Nature of CSR activities: Promoting Education and Healthcare and eradicating poverty

Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. Details of Benami Property held: There are no proceedings which have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. Additional information where borrowings are from banks or financial institutions:

(i) The revised quarterly returns and statements of current assets filed by the Group with banks or financial institutions for the quarter ended June 21, Sept 21 and Dec 21 are in agreement with the books of accounts. Further for quarter ended Mar 22 the Group has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. Wilful Defaulter: The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. Relationship with Struck off Companies : During the year, the Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

Particulars	March 31, 2022
Capital to risk-weighted assets ratio (CRAR) (%)	30.48
Tier I CRAR (%)	21.10
Tier II CRAR (%)	9.38
Liquidity Coverage Ratio (%)	1079%

The above ratios are disclosed based on standalone financial statements of IIFL Home Finance Limited.
Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

h. Compliance with approved Scheme(s) of Arrangements: NA

i. Utilisation of Borrowed funds and share premium:

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Group does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

k. Details of Crypto Currency or Virtual Currency: The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l. Capital work in progress (CWIP) and Intangible asset: The Group does not have any CWIP and Intangible asset under development.

Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Group's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

Financial Risk Management Structure

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Group being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.
The Group has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

39 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Group ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Group monitors its portfolio, based on product, underlying security and credit risk characteristics.

39 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Group has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run.

The Group applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation, additional Management overlay on account of COVID-19 has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The Group categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Group collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due] The Group identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Group evaluates risk based on staging which are as follows:

(₹ in Millions)

Risk Categorisation	As at March 31, 2022
Stage 1	145,111.56
Stage 2	9,631.04
Stage 3	3,887.02
Total	**158,629.62**

Financial Assets measured at Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Group expects no defaults in the above mentioned financial assets and insignificant history of defaults has been observed by the Management in the previous years on such Financial Assets. Hence, no ECL has been recognised on the above mentioned Financial assets as at the reporting date.

39 A.1(II) Credit quality analysis

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

(₹ in Millions)

As at March 31, 2022					
Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**Financial assets for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured at Simplified Approach**	**Total**
Cash and cash equivalents	-	-	-	13,996.22	**13,996.22**
Bank Balance other than above	-	-	-	4,332.94	**4,332.94**
Receivables					
(i) Trade Receivables	366.02	3.85	-	-	**369.87**
Loans at FVTOCI	29,127.22	-	-	-	**29,127.22**
Loans at amortised cost	115,984.34	9,631.04	3,887.02	-	**129,502.40**
Other Financial assets	-	-	-	3,586.22	**3,586.22**

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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances **(₹ in Millions)**

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD April 01, 2021	**136,619.88**	**14,907.77**	**9,005.07**	**718.16**	**2,694.90**	**603.20**	**148,319.85**	**16,229.13**
New Loans Disbursed during the year	82,605.56	-	409.07	-	104.45	-	**83,119.08**	**-**
Loan Derecognised	(37,966.31)	(452.33)	(809.75)	(110.70)	(983.57)	(210.74)	**(39,759.63)**	**(773.77)**
Movement in Stages	-	-	-	-	-	-		-
From Stage 1	(7,246.16)	(529.20)	5,967.97	426.81	1,278.20	102.39	-	-
From Stage 2	2,864.86	240.76	(3,334.37)	(277.19)	469.51	36.43	-	-
From Stage 3	320.07	51.16	52.77	4.83	(372.84)	(55.99)	-	-
Loans Repaid in part or full	(33,108.57)	3,014.42	(2,014.95)	(90.37)	(27.68)	247.63	**(35,151.19)**	**3,171.68**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	2.02	-	(0.57)	-	1.13	-	**2.58**
Closing EAD March 31, 2022	**144,089.33**	**17,234.60**	**9,275.81**	**670.97**	**3,162.97**	**724.05**	**156,528.11**	**18,629.62**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 16,527.55 Millions.

Loss Allowances **(₹ in Millions)**

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL April 01, 2021	**2,019.50**	**107.60**	**813.83**	**51.11**	**994.05**	**608.59**	**3,827.38**	**767.30**
New Loans Disbursed during the year	660.01	50.51	46.77	2.81	37.16	6.51	**743.94**	**59.83**
Loan Derecognised	(252.42)	(7.91)	(56.74)	(3.29)	(375.06)	(211.82)	**(684.22)**	**(223.02)**
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(258.40)	(4.23)	206.08	3.46	52.32	0.77	-	-
From Stage 2	174.74	7.74	(231.34)	(12.56)	56.60	4.82	-	-
From Stage 3	112.93	51.18	18.35	4.89	(131.29)	(56.07)	-	-
Loans Repaid in part or full	(132.96)	(109.65)	525.67	26.75	555.67	377.15	**948.38**	**294.25**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2022	**2,323.40**	**95.24**	**1,322.62**	**73.17**	**1,189.45**	**729.95**	**4,835.47**	**898.36**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 76.74 Millions.

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39 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

62% of the Company's Loan outstanding is from Borrowers residing across 5 various states of India

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Millions)

Particulars	FY 2021-22
Write off	548.39

39 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

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39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Millions)

Particulars	FY 2021-22
Amortised Cost of Modified Assets at the time of modification	4,865.47
Modification (Gain)/Loss for the year	(2.59)

(₹ in Millions)

Particulars	As at March 31, 2022
Carrying amount of Modified financial assets	6,277.89

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification ''Resolution Framework for COVID-19-related Stress''.

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39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Group has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2022	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	50.58	-	-	-	50.58	-	-
Trade Payables	509.40	509.40	-	-	-	-	-
Finance Lease Obligation*	332.94	19.20	18.87	37.42	136.16	60.87	60.42
Debt Securities	22,179.85	1,952.24	886.86	107.83	3,465.66	2,124.98	13,642.28
Borrowings (Other than Debt Securities)	109,449.35	5,644.01	6,805.72	13,086.27	39,529.95	20,702.55	23,680.85
Subordinated Liabilities	10,576.86	31.09	97.15	0.82	650.00	-	9,797.80
Other financial liabilities	9,444.46	9,444.46	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

39 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

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39 A.3(I) Interest rate risk
Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Group's Net Interest Income.

Total Borrowings of the Group are as follows:

(₹ in Millions)

Particulars	As at March 31, 2022
Floating rate borrowings	82,103.00
Fixed rate borrowings	60,103.06
Total borrowings	**142,206.06**

As at the end of the reporting year, the Group had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Millions)

Particulars	As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.19%	81,812.26	57.53%
Non Convertible Debentures	7.37%	290.74	0.20%
Net exposure to cash flow interest rate risk		**82,103.00**	**57.75%**

An analysis by maturities is provided in note 39 A 2(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

(₹ in Millions)

Particulars	As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps	9.36%	3,876.44	2.73%

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The Group had following floating rate loans and advances outstanding: **(₹ in Millions)**

Particulars	As at March 31, 2022		
	Weighted average interest rate	Balance	% of total loans
Loans*	11.44%	158,629.60	100.00%

*Since certain loans disbursed by Group carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

Particulars	Impact on profit after tax	Impact on other components of equity
	FY 2021-22	FY 2021-22
Interest rates – increase by 30 basis points (30 bps) *	(184.32)	-
Interest rates – decrease by 30 basis points (30 bps) *	184.32	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Millions)

Particulars	Impact on profit after tax
	FY 2021-22
Interest rates – increase by 30 basis points (30 bps) *	356.12
Interest rates – decrease by 30 basis points (30 bps) *	(356.12)

* Holding all other variables constant

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39 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity.

(in Millions)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2022	3,876.44	50.00

Since the Group has entered into derivative transaction to hedge this borrowing, the Group is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

The Group's investments carry a risk of change in prices. To manage its price risk arising from investments, the Group periodically monitors the performance of the investee.

The Group's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk

Group offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

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39.B Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2022
Net Debt (₹ in Millions)	142,206.07
Total Equity (₹ in Millions)	27,036.90
Net Debt to Equity Ratio (times)	5.26

39.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments:

(₹ in Millions)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	13,996.22
Bank Balance other than cash and cash equivalents	-	-	4,332.94
Receivables			
(i) Trade Receivables	-	-	369.10
Loans	-	28,854.00	124,048.21
Investments	1,440.00	-	95.91
Other Financial assets	-	-	3,578.17
Total financial assets	**1,440.00**	**28,854.00**	**146,420.55**
Financial liabilities			
Derivative financial instruments	-	50.58	-
Trade Payables	-	-	509.40
Finance Lease Obligation	-	-	256.37
Debt Securities	-	-	22,179.86
Borrowings (Other than Debt Securities)	-	-	109,449.34
Subordinated Liabilities	-	-	10,576.86
Other financial liabilities	-	-	9,444.46
Total financial liabilities	**-**	**50.58**	**152,416.29**

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

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

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

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
Loans - FVTOCI	-	-	28,854.00	28,854.00
Investments				
(i) Alternate Investment Fund	-	1,440.00	-	1,440.00
Total financial assets	**-**	**1,440.00**	**28,854.00**	**30,294.00**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	50.58	-	50.58
Total financial liabilities	**-**	**50.58**	**-**	**50.58**

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

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
Financial Liabilities			
Debt Securities	21,401.78	22,179.86	Level 3
Subordinated Liabilities	10,466.09	10,576.86	Level 3
Total financial liabilities	**31,867.87**	**32,756.72**	

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Equity instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and laibilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

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39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Millions)

Particulars	Loans - FVTOCI As at March 31, 2022
Opening Balance	23,266.91
Sold during the year	(24,710.22)
Re-classified to amortised cost	(8,210.67)
Issuances	38,507.98
Closing Balance	**28,854.00**

40.1 Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Millions)

Loans and advances	FY 2021-22
Carrying amount of derecognised financial assets	24,710.22
Gain from derecognition for the year	1,045.58

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets

(₹ in Millions)

Loans and advances	As at March 31, 2022
Carrying amount of continuing involvement in derecognised financial assets	8,383.87

40.2 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Millions)

Securitisations	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	4,169.52
Carrying amount of associated liabilities	4,172.92
Fair value of assets	4,169.52
Fair value of associated liabilities	4,172.92

40.3 Re-classification of financial assets to amortised cost category

(₹ in Millions)

Particulars	As at March 31, 2022
Fair value of financial assets re-classified as amortised cost	7,935.67
Fair value of gain/loss would have been recognised in profit or loss or other comprehensive income	(6.40)

40.4 Re-classification of financial assets from Fair Value Through Other Comprehensive Income to Amortised Cost

Particulars	As at March 31, 2022
Date of reclassification	July 2021 to March 2022
Reclassification amount (₹ in Millions)	8,210.67

Note: The Company has reclassified the above assets due to change in business model in respect of the specified assets. These assets are now intended to be held to collect the contractual cashflow.

41. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the year ended March 31, 2022

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Wealth Management Limited
	IIFL Wealth Finance Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	IIFL Commodities Limited
	IIFL Wealth Distribution Services Limited
	5Paisa Capital Limited
	India Infoline Foundation
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R. Venkataraman - Non Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director
	Ms. Suvalaxmi Chakraborty - Independent Director (ceased w.e.f. June 15, 2021)
	Ms. Mohua Mukherjee- Independent Director (w.e.f. August 26, 2021)

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

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

41.A Significant transactions with related parties:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Expense					
IIFL Finance Limited	201.61	-	-	-	201.61
IIFL Securities Limited	-	-	3.31	-	3.31
IIFL Facilities Services Limited	-	-	0.70	-	0.70
IIFL Management Services Limited	-	-	1.60	-	1.60
Service Fees Income for Mortgage Portfolio					
IIFL Finance Limited	15.59	-	-	-	15.59
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation	-	-	70.70	-	70.70
Arranger fees Expense					
IIFL Finance Limited	0.43	-	-	-	0.43
IIFL Securities Limited	-	-	6.40	-	6.40
IIFL Wealth Distribution Services Limited	-	-	1.60	-	1.60
Commission/ Brokerage Expense					
IIFL Securities Limited	-	-	232.52	-	232.52
Remuneration and Compensation to KMP					
Mr. Monu Ratra - Short Term Benefit	-	-	-	49.33	49.33
Mr. Monu Ratra - Post Employment Benefit	-	-	-	0.16	0.16
Sitting Fees paid to Directors					
Mr. Kranti Sinha	-	-	-	0.68	0.68
Mr. S. Sridhar	-	-	-	0.77	0.77
Ms. Suvalaxmi Chakraborty	-	-	-	0.15	0.15
Mr. AK Purwar	-	-	-	0.31	0.31
Ms. Mohua Mukherjee	-	-	-	0.19	0.19
Commission to Directors					
Mr. Kranti Sinha	-	-	-	1.00	1.00
Mr. S. Sridhar	-	-	-	1.20	1.20
Ms. Mohua Mukherjee	-	-	-	0.60	0.60
Interim Dividend Payment					
IIFL Finance Limited	629.05	-	-	-	629.05
ICD Taken					
IIFL Finance Limited	32,844.00	-	-	-	32,844.00
IIFL Facilities Services Limited	-	-	450.00	-	450.00
ICD Returned					
IIFL Finance Limited	32,844.00	-	-	-	32,844.00
IIFL Facilities Services Limited	-	-	450.00	-	450.00

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

ICD/Loan Given					
IIFL Finance Limited	4,210.00	-	-	-	4,210.00
ICD/Loan received back					
IIFL Finance Limited	4,210.00	-	-	-	4,210.00
Purchase of Investment					
IIFL Finance Limited	1,440.00	-	-	-	1,440.00
Equity Shares Allotment					
IIFL Samasta Finance Limited	-	750.00	-	-	750.00
Allocation of expenses paid					
IIFL Securities Limited	-	-	44.67	-	44.67
IIFL Management Services Limited	-	-	0.85	-	0.85
IIFL Finance Limited	49.65	-	-	-	49.65
IIFL Facilities Services Limited	-	-	7.37	-	7.37
Reimbursement paid					
IIFL Securities Limited	-	-	3.17	-	3.17
IIFL Facilities Services Limited	-	-	0.01	-	0.01
IIFL Finance Limited	5.83	-	-	-	5.83
IIFL Management Services Limited	-	-	0.00	-	0.00
Livlong Insurance Brokers Limited	-	-	0.09	-	0.09
5Paisa Capital Limited	-	-	0.87	-	0.87
IIFL Wealth Management Limited	-	-	0.00	-	0.00
ESOP					
IIFL Securities Limited	-	-	0.02	-	0.02
IIFL Finance Limited	11.34	-	-	-	11.34
Allocation of expenses received					
IIFL Management Services Limited	-	-	0.00	-	0.00
IIFL Securities Limited	-	-	3.99	-	3.99
5Paisa Capital Limited	-	-	0.00	-	0.00
IIFL Finance Limited	9.10	-	-	-	9.10
Reimbursement received					
IIFL Securities Limited	-	-	2.82	-	2.82
IIFL Finance Limited	2.63	-	-	-	2.63
IIFL Management Services Limited	-	-	0.04	-	0.04
IIFL Facilities Services Limited	-	-	0.00	-	0.00
5Paisa Capital Limited	-	-	0.33	-	0.33
Livlong Insurance Brokers Limited	-	-	0.20	-	0.20
Livlong Protection & Wellness Solutions Limited	-	-	0.08	-	0.08
Payment of Assignment Transactions					
IIFL Finance Limited	901.44	-	-	-	901.44

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

41 B. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company					
IIFL Facilities Services Limited	-	-	0.73	-	0.73
IIFL Securities Limited	-	-	0.04	-	0.04
IIFL Finance Limited	2.40	-	-	-	2.40
5paisa Capital Limited	-	-	0.06	-	0.06
IIFL Wealth Distribution Services Limited	-	-	1.81	-	1.81
Receivable from Group/Holding Company					
IIFL Management Services Limited	-	-	0.05	-	0.05
Livlong Insurance Brokers Limited	-	-	0.18	-	0.18
Livlong Protection & Wellness Solutions Limited	-	-	0.09	-	0.09
India Infoline Foundation	-	-	30.30	-	30.30
Debt Securities Outstanding					
IIFL Securities Limited	-	-	80.00	-	80.00
IIFL Management Services Limited	-	-	40.00	-	40.00
Provision for Post Employment Benefits					
Mr. Monu Ratra	-	-	-	2.53	2.53
Commission Payable					
Mr. Kranti Sinha	-	-	-	1.00	1.00
Mr. S. Sridhar	-	-	-	1.20	1.20
Ms. Mohua Mukherjee	-	-	-	0.60	0.60
Corporate Guarantee					
IIFL Finance Limited	8,454.96	-	-	-	8,454.96

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

(₹ in Millions)

Name of Related Party	Outstanding as on	Maximum Outstanding during the year
	31-Mar-22	
IIFL Finance Limited	-	-

Note: Amount given as ICDs to IIFL Finance Limited is in the nature of intraday transaction hence maximum outstanding is zero.

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2022 (₹ in Millions)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	13,996.22	-	**13,996.22**
(b)	Bank balance other than (a) above	2,842.37	1,490.57	**4,332.94**
(c)	Receivables	-		
	(I) Trade receivables	369.10	-	**369.10**
(d)	Loans	35,211.36	117,690.85	**152,902.21**
(e)	Investments	3.35	4,030.77	**4,034.12**
(f)	Other financial assets	22.97	3,555.20	**3,578.17**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	55.06	**55.06**
(b)	Deferred tax assets (net)	-	641.97	**641.97**
(c)	Investment Property	-	66.30	**66.30**
(d)	Property, plant and equipment	-	65.74	**65.74**
(e)	Right of use assets	-	235.39	**235.39**
(f)	Other intangible assets	-	1.82	**1.82**
(g)	Other non-financial assets	47.09	0.65	**47.74**
(h)	Assets held for sale	96.99	-	**96.99**
	Total Assets	**52,589.45**	**127,834.32**	**180,423.77**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	50.58	**50.58**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	509.40	-	**509.40**
(c)	Finance Lease Obligation	62.41	193.96	**256.37**
(d)	Debt securities	2,946.93	19,232.93	**22,179.86**
(e)	Borrowings (other than debt securities)	25,536.01	83,913.33	**109,449.34**
(f)	Subordinated liabilities	129.06	10,447.80	**10,576.86**
(g)	Other financial liabilities	9,444.46	-	**9,444.46**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	262.54	-	**262.54**
(b)	Provisions	96.19	46.47	**142.66**
(c)	Other non-financial liabilities	514.80	-	**514.80**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	26,827.22	**26,827.22**
(c)	Non-controlling interest	-	-	**-**
	Total liabilities and equity	**39,501.80**	**140,921.97**	**180,423.77**

IIFL HOME FINANCE LIMITED
Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

43. Additional information pursuant to para 2 of schedule III on general instructions for the preparations of Consolidated Financial Statements:

(₹ in Millions)

Name of entity in the Group	Net Assets i.e Total Assets less Total Liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in millions)	As % of consolidated profit or loss	Amount (₹ in millions)	As % of consolidated other comprehensive income	Amount (₹ in millions)	As % of consolidated total comprehensive income	Amount (₹ in millions)
IIFL Home Finance Limited	90.67%	24,514.71	97.40%	5,779.96	101.05%	199.04	97.52%	5,979.00
Indian Subsidiaries								
IIHFL Sales Limited	0.09%	23.98	0.47%	27.88	0.00%	-	0.45%	27.88
Non-controlling Interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian Associates (Investment as per the equity method)								
IIFL Samasta Finance Limited (formerly Samasta Microfinance Limited)	9.24%	2,498.21	2.13%	126.51	(1.05%)	(2.07)	2.03%	124.44
Total	**100.00%**	**27,036.90**	**100.00%**	**5,934.35**	**100.00%**	**196.97**	**100.00%**	**6,131.32**

IIFL HOME FINANCE LIMITED

Notes forming part of Consolidated Financial Statements as at and for the year ended March 31, 2022

44. The Group has prepared and presented Consolidated Financial Statements for the first time in FY 2021-22. Hence, previous year compratives are not available and not presented. Further, amounts appearing in cash flow statement for FY 2021-22 are compiled based on unaudited opening cash and cash equivalents as at April 01, 2021, which is neither audited nor reviewed by statutory auditors.

45. These financial statements were authorised for issue by the Company's Board of Directors on April 25, 2022.

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

IIFL Home Finance Limited

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: April 25, 2022

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Suresh Surana and Associates LLP
Chartered Accountants
8th Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021.

M. P. Chitale & Co.
Chartered Accountants
1st Floor, Hamam House,
Ambalal Doshi Marg, Fort
Mumbai – 400 001, India

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED) ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **IIFL Home Finance Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 7.1 to the standalone financial statements with respect to the management's evaluation of COVID-19 impact on the future performance of the Company. This assessment and the outcome of the pandemic are made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. Our opinion is not modified in respect of this matter.

M.P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The Company exercises significant judgement using assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances. The calculation of impairment loss or ECL is based on significant management estimates and judgements, which are as under: • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL • Loan staging criteria • Calculation of Probability of Default (PD) and Loss Given Default (LGD) • Consideration of probability scenarios and forward looking macro-economic factors • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic ECL requires a large variety of data as an input to the model. This increases the risk of	We performed audit procedures set out below: • Read the Company's Board approved Ind-AS 109 based impairment provisioning policy • Understood and assessed the Company's process and controls on measurement and recognition of impairment in the loan portfolio • Test checked loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage • Test checked PD and LGD calculation workings performed by management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at portfolio level • Test checked the calculations of determining Exposure at Default (EAD) • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages • Performed an assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were

Key Audit Matter	How the matter was addressed in our audit
completeness and accuracy of the data that has been used to create assumptions in the model. In view of the criticality of the item to the Standalone Financial Statements, complex nature of assumptions & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.	reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment
IT Systems and controls The Company financial accounting and reporting systems are highly dependent on the effective working of the operating and accounting system. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to this software are critical for accurate compilation of financial information. Due to extensive volumes, variety and complexity of transactions the operating system is functioning, consistently and accurately, specifically with respect to following: • Interest, Fee income and other charges collected on Loans • Bifurcation of the Loan Portfolio based on maturity pattern and Assets Classification based on ageing of default We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. Our audit outcome is dependent on the effective functioning of such operating and accounting system.	We performed audit procedures set out below: • We obtained an understanding of the Company's business IT environment and key changes, if any during the audit period that may be relevant to the audit. • Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis • We have tested and reviewed the reconciliations between the loan origination/ servicing application and the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have also obtained management representations wherever considered necessary.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) " The Auditor's Responsibilities Relating to Other Information.

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

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

i. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2021 was audited by M.P. Chitale & Co, one of the joint statutory auditors of the Company who expressed an unmodified opinion on those Standalone Financial Statements vide their report dated April 28, 2021.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

e. on the basis of written representations received from the directors, as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 36(b) to the Standalone Financial Statements.

   ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 38B i.(i) to the standalone financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 38B i.(ii) to the standalone financial statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 22102306AHUECN4285

Place: Mumbai
Date: April 25, 2022

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

M.P. CHITALE & CO. MUMBAI C.A.

Harnish Shah
Partner
Membership No.: 145160
UDIN: 22145160AHUEIP7016

Place: Mumbai
Date: April 25, 2022

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ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED) OF EVEN DATE)

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

(b) In our opinion, the Company's program of verifying Property, Plant and Equipment including Right of Use Assets once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment, including Right of Use Assets, were not due during the current year and accordingly, not verified by the management during the year.

(c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.

(e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is in business of Housing Finance. Therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) (a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. According to information and explanation given to us and the records examined by us, the revised quarterly returns or statements for the quarters ended June 2021, September 2021 and December 2021 filed by the Company during the year with such banks or financial institutions are in agreement with books of account. Further, in respect of quarter ended March 2022, the return has been filed based on the provisional financial statements and the revised return will be filled based on the audited financial statements.

(iii) (a) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company

(b) The Company has made investments, provided security, and granted loans and advances in loans to companies, firms, Limited Liability Partnerships or any other parties. In our opinion, the investments made, security provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company is principally engaged in the business of providing loans.

In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 14,371 cases having loan outstanding balance at year end aggregating to Rs. 20,784.57 million wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

(d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal amount overdue (Rs. Million)	Interest overdue (Rs. Million)	Total overdue (Rs. Million)
2191	144.02	727.39	871.41

According to information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

(e) Since the Company is in business of Housing Finance, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

(v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.

(c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised, other than temporary deployment of borrowings aggregating to ₹ 4,000 million in Bank accounts/ Bank Fixed Deposit and Mutual Fund, pending utilization of funds as per respective sanction terms.

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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds raised on short-term basis have been prima facie used for long-term purposes during the year by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and Associate;

(f) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised loans during the year on the pledge of securities held in its subsidiary and associate and therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, money raised by way of public offer through debt instruments during the year were applied for the purposes for which those are raised.

(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have not come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, we have not come across any instance of whistle blower complaints reported during the year, nor have we been informed of such case by management.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company does not have any amount unspent to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 22102306AHUECN4285
Place: Mumbai
Date: April 25, 2022

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 22145160AHUEIP7016
Place: Mumbai
Date: April 25, 2022

**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF IIFL HOME FINANCE LIMITED (FORMERLY KNOWN AS INDIA INFOLINE HOUSING FINANCE LIMITED) OF EVEN DATE)**

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

We have audited the internal financial controls with reference to financial reporting of **IIFL Home Finance Limited** (hereinafter referred to as "the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

M.P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

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

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

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

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

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

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

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suresh Surana and Associates LLP
Chartered Accountants
Firm Regn. No. 121750W / W-100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 22102306AHUECN4285
Place: Mumbai
Date: April 25, 2022

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

Harnish Shah
Partner
Membership No.: 145160
UDIN: 22145160AHUEIP7016
Place: Mumbai
Date: April 25, 2022

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Millions)

Sr. no.	Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4A	13,987.31	4,123.27
(b)	Bank balance other than (a) above	4B	4,332.94	4,437.40
(c)	Receivables	6		
	(I) Trade receivables		344.10	306.35
(d)	Loans	7	152,902.21	145,649.23
(e)	Investments	8	3,832.63	1,672.20
(f)	Other financial assets	9	3,570.97	2,339.72
2	**Non-financial Assets**			
(a)	Current tax assets (net)		55.06	143.57
(b)	Deferred tax assets (net)	10	640.91	701.71
(c)	Investment Property	11A	66.30	70.05
(d)	Property, plant and equipment	11B	65.51	24.84
(e)	Right of use assets	12A	154.52	135.76
(f)	Other intangible assets	12B	1.82	1.26
(g)	Other non-financial assets	13	47.74	33.28
(h)	Assets held for sale	14	96.99	139.46
	Total Assets		**180,099.01**	**159,778.10**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	5	50.58	292.08
(b)	Payables	15		
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		508.11	351.58
(c)	Finance Lease Obligation	12A	173.82	149.03
(d)	Debt securities	16	22,179.86	21,027.50
(e)	Borrowings (other than debt securities)	17	109,449.34	104,708.22
(f)	Subordinated liabilities	18	10,576.86	4,366.73
(g)	Other financial liabilities	19	9,444.46	5,853.89
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)		260.35	312.59
(b)	Provisions	20	140.50	125.78
(c)	Other non-financial liabilities	21	508.09	1,133.61
3	**Equity**			
(a)	Equity share capital	22	209.68	209.68
(b)	Other equity	23	26,597.36	21,247.41
	Total liabilities and equity		**180,099.01**	**159,778.10**
See accompanying notes forming part of the financial statements		1-46		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 25, 2022

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

M. P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Millions)

Sr. no.	Particulars	Note no.	FY 2021-22	FY 2020-21
	Revenue from Operations			
(i)	Interest income	24	18,757.45	17,786.63
(ii)	Dividend income	25	-	40.71
(iii)	Fees and commission income	26	769.56	647.38
(iv)	Net gain on fair value changes	27	63.16	185.01
(v)	Net gain on derecognition of financial instruments under amortised cost category	28.1	109.24	139.17
(vi)	Net gain on derecognition of financial instruments under under FVTOCI	28.2	1,158.76	770.76
(vii)	Net gain on modification of financial instruments under amortised cost category		2.59	-
(I)	**Total Revenue from Operations**		**20,860.76**	**19,569.66**
(II)	**Other Income**	29	1,353.65	1,107.84
(III)	**Total Income (I+II)**		**22,214.41**	**20,677.50**
	Expenses			
(i)	Finance costs	30	10,624.80	10,532.73
(ii)	Net loss on modification of financial instruments under amortised cost category		-	73.27
(iii)	Impairment on financial instruments, including write-offs	31	1,599.99	2,716.87
(iv)	Employee benefits expenses	32	1,717.00	1,584.43
(v)	Depreciation, amortization and impairment	11A-12B	66.91	84.75
(vi)	Other expenses	33	746.08	585.61
(IV)	**Total Expenses**		**14,754.78**	**15,577.66**
(V)	**Profit Before Tax (III -IV)**		**7,459.63**	**5,099.84**
(VI)	**Tax Expenses:**			
	(i) Current tax	34	1,701.00	1,419.33
	(ii) Deferred tax	10	(34.62)	(331.41)
	(iii) Tax of earlier years	34	13.30	0.97
	Total Tax Expenses		**1,679.68**	**1,088.89**
(VII)	**Profit for the year (V-VI)**		**5,779.95**	**4,010.95**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liabilities/(assets)		1.11	15.58
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.28)	(3.92)
	Subtotal (A)		**0.83**	**11.66**
	B (i) Items that will be reclassified to profit or loss			
	(a) Cash Flow Hedge (net)		128.35	(47.75)
	(b) Fair value of loans carried at FVTOCI		136.52	(7.64)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(66.66)	13.94
	Subtotal (B)		**198.21**	**(41.45)**
	Other Comprehensive Income (A+B)		**199.04**	**(29.79)**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**5,978.99**	**3,981.16**
(X)	**Earnings per Equity Share of face value of Rs. 10 each**	35		
	Basic (Rs.)		275.65	191.29
	Diluted (Rs.)		275.65	191.29
	See accompanying notes forming part of the financial statements	**1-46**		

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: April 25, 2022

Suresh Surana & Associates LLP Chartered Accountants Mumbai

IIFL Home Finance Limited

M.P. Chitale & Co. Mumbai

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital
1. As at March 31, 2022

(₹ in Millions)

Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
209.68	-	-	-	209.68

2. As at March 31, 2021

(₹ in Millions)

Balance at the beginning of the previous reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
209.68	-	-	-	209.68

B. Other Equity
1. As at March 31, 2022

(₹ in Millions)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	7,991.57	1,438.60	2,873.70	9,121.51	(5.89)	(166.36)	(5.72)	21,247.41
Profit for the year	-	-	-	5,779.95	-	-	-	5,779.95
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 1)	-	-	-		-	96.05	-	96.05
Remeasurement of defined benefit (Net of Tax) (Refer Note 2)	-	-	-		0.83	-	-	0.83
Equity Dividend (Refer Note 3)	-	-	-	(629.05)	-	-	-	(629.05)
Transfer to Special Reserve (Refer Note 4)	-	-	1,156.00	(1,156.00)	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	102.17	102.17
Balance at the end of the Current reporting year	7,991.57	1,438.60	4,029.70	13,116.41	(5.06)	(70.31)	96.45	26,597.36

2. As at March 31, 2021

(₹ in Millions)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	7,991.57	1,438.60	2,068.70	6,439.76	(17.54)	(130.62)	-	17,790.46
Profit for the year	-	-	-	4,010.95	-	-	-	4,010.95
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 1)	-	-	-	-	-	(35.74)	-	(35.74)
Remeasurement of defined benefit (Net of Tax) (Refer Note 2)	-	-	-	-	11.66	-	-	11.66
Equity Dividend (Refer Note 3)	-	-	-	(524.20)	-	-	-	(524.20)
Transfer to Special Reserve (Refer Note 4)	-	-	805.00	(805.00)	-	-	-	-
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(5.72)	(5.72)
Balance at the end of the Previous reporting year	7,991.57	1,438.60	2,873.70	9,121.51	(5.89)	(166.36)	(5.72)	21,247.41

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

1. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
2. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
3. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 30/- per equity share (P.Y. ₹ 25/-).
4. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

See accompanying notes forming part of the financial statements
As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

Date: April 25, 2022

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

STANDALONE FINANCIAL STATEMENTS OF IIFL HOME FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Millions)

Particulars	Note No.	FY 2021-22	FY 2020-21
Cash Flows from Operating Activities			
Profit before tax		**7,459.63**	**5,099.84**
Adjustments for:			
Depreciation, amortization and impairment		66.91	84.75
Impairment on financial instruments - loans		1,051.60	2,214.18
Interest expense		10,624.80	10,532.73
Interest on Loans		(18,757.45)	(17,786.63)
Net gain on derecognition of financial instruments		(1,229.72)	(866.01)
Net (gain)/loss on fair value changes		(63.16)	(183.56)
Net (gain)/loss on Sale of assets		0.31	14.29
Interest paid		(12,187.71)	(11,067.45)
(Gain)/Loss on termination		-	(6.20)
(Gain)/Loss on Modification		(2.59)	73.27
Interest received		18,984.65	17,954.16
(Gain)/ Loss on buy back of Debt Securities		-	(1.45)
Operating Profit before Working Capital changes		**5,947.27**	**6,061.92**
Changes in Working Capital:			
Adjustments for (increase)/decrease in Other Financial assets		(185.66)	(197.74)
Adjustments for (increase)/decrease in Trade Receivables		(38.52)	(124.72)
Adjustments for (increase)/decrease in Other Non Financial assets		(15.84)	2.81
Adjustments for (increase)/decrease in Assets held for sale		42.47	(139.46)
Adjustments for (increase)/decrease in Balances with banks - Lien marked		(37.20)	1,058.78
Adjustments for increase/(decrease) in Trade Payables		156.52	60.84
Adjustments for increase/(decrease) in Other financial liabilities		3,590.57	3,271.12
Adjustments for increase/(decrease) in Other non-financial liabilities		(625.52)	922.86
Adjustments for increase/(decrease) in Provisions		20.72	(24.65)
Operating Profit after Working Capital changes		**8,854.81**	**10,891.76**
Direct Taxes Paid (Refer note below)		(1,649.56)	(1,223.05)
Cash generated from/ (used in) Operations		**7,205.25**	**9,668.71**
Loans (disbursed) / repaid (net)		(8,208.23)	(18,645.17)
Net cash generated from / (used in) Operating Activities (A)		**(1,002.98)**	**(8,976.46)**
Cash flow from Investing Activities			
Purchase of fixed assets		(71.35)	(9.39)
Sale of fixed assets		4.64	3.98
Fixed deposits placed		(17,844.97)	(82,622.53)
Fixed deposits matured		17,986.20	80,681.91
Purchase of investments		(241,493.50)	(165,446.23)
Proceeds from sale of investments		239,396.23	164,491.68
Proceeds from sale of investment property		-	24.10
Net Cash used in Investing Activities (B)		**(2,022.75)**	**(2,876.48)**
Cash flow from Financing Activities			
Dividend paid		(629.05)	(524.20)
Proceeds from Borrowings		43,418.40	32,980.00
Repayment of Borrowings		(38,517.96)	(23,157.85)
Proceeds from issue of Debt & Sub-Ordinated Debt Securities		19,004.53	14,620.00
Repayment of Debt & Sub-Ordinated Debt Securities		(10,342.48)	(17,136.06)
Payment of interest on lease liabilities		(13.78)	(17.42)
Payment of lease liabilities		(29.89)	(39.93)
Net Cash from/(used in) Financing Activities (C)		**12,889.77**	**6,724.54**
Net increase in cash and cash equivalents (A+B+C)		**9,864.04**	**(5,128.40)**
Cash and cash equivalents as at the beginning of the year		4,123.27	9,251.67
Cash and cash equivalents as at the end of the year		**13,987.31**	**4,123.27**
See accompanying notes forming part of the financial statements	1-46		

Note: As direct tax paid above is not specifically identifiable into financing and investing activities, they have been shown under operating activities.

As per our reports attached of even date

For M. P. Chitale & Co.
Chartered Accountants

Harnish Shah
Partner
Place: Mumbai

For Suresh Surana & Associates LLP
Chartered Accountants

Ramesh Gupta
Partner
Place: Mumbai

For and on behalf of the Board of Directors of
IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: April 25, 2022

IIFL Home Finance Limited

MUMBAI

Chartered Accountants

Note 1. CORPORATE INFORMATION

(a) Company overview

IIFL Home Finance Limited (formerly known as India Infoline Housing Finance Limited) ("IIFL HFL"/ "the Company") (CIN No. U65993MH2006PLC166475), is a wholly owned subsidiary of IIFL Finance Limited (formerly known as IIFL Holdings Limited). IIFL HFL received a Certificate of Registration from the National Housing Bank ("NHB") in February 2009 to carry on the business of a housing finance institution. IIFL HFL offers housing finance in line with 'The Housing Finance Companies (NHB) Directions, 2010' ("NHB Directions") and RBI Master Direction - Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended from time to time. The redeemable and Non-Convertible debentures of the company are listed on National Stock Exchange (NSE).

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 ("the Act") and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable and the relevant provisions of the Act.

(b) Basis of Preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or a revision to an existing Accounting Standards requires a change in the accounting policy hitherto in use.

(c) Presentation of financial statements

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented

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IIFL Home Finance Limited

by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the NHB and RBI. The Company presents its Balance Sheet in the order of liquidity.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to millions except when otherwise stated.

(d) Basis of measurements

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value.

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

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

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

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

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are

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disclosed in the notes to the financial statements.

i. Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

ii. Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

iii. Effective interest rate computation

Computation of effective interest rate involves significant estimates and judgements with respect to expected loan tenure (period within which all cash flows pertaining to such financial instruments are expected to be received), nature and timings of such estimated cashflows considering the contractual terms of the financial instrument. These estimations are done considering various factors such as historical behaviour patterns of the instrument with respect to average repayment period and cash flows behaviours. Such estimates and assumptions are reviewed by the company at each reporting date and changes, if any are given effect to.

iv. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

vi. Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

vii. Defined Benefit Plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

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

i. Interest income and dividend income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the contractual terms of the instrument.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.

ii. Fees and charges

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

iii. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

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IIFL Home Finance Limited

iv. Other Income

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

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

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

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

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value as per Previous GAAP on the transition date of April 1, 2017.

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

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

(c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

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IIFL Home Finance Limited

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit or Loss in the period in which the Investment property is derecognised.

(e) Depreciation and Amortisation

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

The estimated useful life of assets is as under:

Class of assets	Useful Life as per Schedule II Companies Act	Useful life as per Company
Investment property Real Estate*	60 years / 30 years	20 years
Computers	3 years	3 years
Office equipment	5 years	5 years
Electrical Equipment*	10 years	5 years
Furniture and fixtures*	10 years	5 years
Vehicles*	8 years	5 years

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

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IIFL Home Finance Limited

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

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

(f) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

The Company repossess properties or other assets to settle outstanding recoverable and the surplus (if any) post auction is refunded to the obligors. These assets physically acquired by the company under SARFASI Act, 2002 and sale is highly probable has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(g) Impairment of Assets other than financials assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

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

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

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

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(h) Employee benefits

i. Defined contribution plans

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

ii. Defined benefit plans

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

Postemployment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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

(i) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to

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exercise an extension option.

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

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

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

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

(j) Taxes on income

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

(k) Financial instruments

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

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

Financial assets

Classification and Subsequent measurement

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

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.

Financial Assets measured at amortised cost

Debt instruments that meet the following criteria are measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognised in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit or Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

Instruments that do not meet the amortised cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The gain or loss on disposal is recognised in the Statement of Profit and Loss.

Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments.

All equity investments in scope of Ind AS 109 are measured at fair value are classified as at FVTPL. The Company may make an irrevocable election to present certain equity investments measured at fair value through other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Reclassifications

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Impairment of financial assets

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").

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Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the company measures the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

Credit impaired financial assets

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which

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affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL is based on both qualitative and quantitative indicators such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is

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considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Assignment transactions

Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company’s enforcement activities will result in impairment gains.

Financial liabilities and equity Instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(l) Derivative financial instrument

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly

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effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(m) Investments in Subsidiaries and Associates

Investments in Subsidiaries and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

(n) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(o) Goods and service tax input credit

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

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(p) Borrowing costs

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost.

(q) Foreign currencies

In preparing the financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision.

(s) Provisions, contingent liabilities and contingent assets

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

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

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits

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expected to be received from the contract.

Contingent liability is disclosed in case of:

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

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

(t) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
b) Funding related commitment to associate and joint venture companies; and
c) Other non-cancellable commitments, if any.

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(v) Statement of Cash Flows

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

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

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

(w) Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors.

(x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

Note 3A. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

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Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its standalone financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

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Note 4A. Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	9.26	5.54
Balance with banks		
-In current accounts	1,646.36	3,117.66
Fixed deposits (original maturity less than or equal to three months)	12,331.69	1,000.07
Cash and cash equivalents	**13,987.31**	**4,123.27**

Note 4B. Bank balances other than Cash and Cash Equivalents

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Other bank balances		
In earmarked accounts		
- Unclaimed interest and redemption proceeds of NCDs and other earmarked balances	51.78	14.58
Fixed deposits (original maturity less than or equal to three months) - lien marked	1,500.73	2,276.88
Fixed deposits (original maturity more than three months)	2,780.43	2,145.94
Total	**4,332.94**	**4,437.40**

Out of the fixed deposits shown above:

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Lien marked	2,312.60	2,476.34
Margin for credit enhancement	1,968.56	1,909.03
Total	**4,281.16**	**4,385.37**

Note 5. Derivatives financial instruments

(₹ in Millions)

Part I	As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:						
-Cross currency interest rate swaps	3,630.75	-	50.58	3,630.75	-	292.08
Subtotal (i)	**3,630.75**	**-**	**50.58**	**3,630.75**	**-**	**292.08**
(ii) Other derivatives						
-Forward exchange contract	-	-	-	-	-	-
Subtotal (ii)	**-**	**-**	**-**	**-**	**-**	**-**
Total derivative (i+ii)	**3,630.75**	**-**	**50.58**	**3,630.75**	**-**	**292.08**

(₹ in Millions)

Part II	As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cash flow hedging:						
- Currency derivatives	3,630.75	-	50.58	3,630.75	-	292.08
(ii) Undesignated derivatives	-	-	-	-	-	-
Total derivative financial instruments (i+ii)	**3,630.75**	**-**	**50.58**	**3,630.75**	**-**	**292.08**

Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk. Refer Note 5.1.

(₹ in Millions)

Particulars	Total		Exchange traded		Over the counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2022						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,630.75**	**50.58**	-	-	3,630.75	50.58
As at March 31, 2021						
Derivative asset	**-**	**-**	-	-	-	-
Derivative liabilities	**3,630.75**	**292.08**	-	-	3,630.75	292.08

5.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

5.1.1 Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts and cross currency interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 50 Millions (March 31, 2021 USD 50 Millions). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Company uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) and Forward Exchange Contracts to hedge its risks associated with interest rate and currency fluctuations arising from foreign currency loans / external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Statement Of Changes In Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Forward contracts/Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Forward contracts/Cross currency interest rate swaps are identical to the hedged risk components.

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Notional amount	3,630.75	3,630.75
Carrying amount	50.58	292.08
Line item in the statement of financial position	Derivative financial instrument	Derivative financial instrument
Change in fair value used for measuring ineffectiveness for the year	96.04	(35.73)

(₹ in Millions)

Impact of hedging item	FY 2021-22	FY 2020-21
Change in fair value	96.04	(35.73)
Cash flow hedge reserve	96.04	(35.73)
Cost of hedging	-	-

(₹ in Millions)

Effect of Cash flow hedge	FY 2021-22	FY 2020-21
Total hedging gain / (loss) recognised in OCI	96.04	(35.73)
Line item in the statement of profit or loss	-	-

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
(Gain)/Loss On Swap Transaction	241.50	(141.81)
(Gain)/Loss On Mark To Market On Fluctuation Of Foreign Exchange	(113.16)	94.06
Tax implication on above	(32.30)	12.02
Total	**96.04**	**(35.73)**

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Note 6. Receivables

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Trade receivables		
Receivables considered good - unsecured	341.02	306.35
Receivables considered good - significant increase in credit risk	3.85	-
Total - gross	**344.87**	**306.35**
Less: Impairment loss allowance	(0.77)	-
Total	**344.10**	**306.35**

No trade receivables are due from Directors or any other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any Director is a Partner, Director or a Member.
Trade Receivables are not interest bearing.

Trade Receivables aging schedule (₹ in Millions)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 6 Months	
As at March 31, 2022			
Undisputed Trade receivables – considered good.	25.80	315.22	**341.02**
Undisputed Trade receivables – significant increase in credit risk	-	3.85	**3.85**
As at March 31, 2021			
Undisputed Trade receivables – considered good.	19.91	286.44	**306.35**
Undisputed Trade receivables – significant increase in credit risk	-	-	**-**

Note 7. Loans

(₹ in Millions)

Particulars	As at March 31, 2022		
	Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	129,502.40	29,127.20	158,629.60
Total (A) - Gross	**129,502.40**	**29,127.20**	**158,629.60**
Less: Impairment loss allowance	(5,454.19)	(273.20)	(5,727.39)
Total (A) - Net	**124,048.21**	**28,854.00**	**152,902.21**
(B)			
(i) Secured by tangible assets	127,017.53	29,127.20	156,144.73
(ii) Secured by Government Guarantee	2,424.04	-	2,424.04
(iii) Unsecured	60.83	-	60.83
Total (B) - Gross	**129,502.40**	**29,127.20**	**158,629.60**
Less: Impairment loss allowance	(5,454.19)	(273.20)	(5,727.39)
Total (B) - Net	**124,048.21**	**28,854.00**	**152,902.21**
(C)			
Loans in India	**129,502.40**	**29,127.20**	**158,629.60**
(i) Public sector	-	-	-
(ii) Others	129,502.40	29,127.20	158,629.60
Less: Impairment loss allowance	(5,454.19)	(273.20)	(5,727.39)
Total (C) - Net	**124,048.21**	**28,854.00**	**152,902.21**

(₹ in Millions)

Particulars	As at March 31, 2021		
	Amortised cost 1	FVTOCI 2	Total (3=1+2)
Loans			
(A)			
(i) Term loans	126,720.45	23,523.44	150,243.89
Total (A) - Gross	**126,720.45**	**23,523.44**	**150,243.89**
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (A) - Net	**122,382.31**	**23,266.92**	**145,649.23**
(B)			
(i) Secured by tangible assets	124,813.75	23,488.53	148,302.28
(ii) Secured by Government Guarantee	1,881.62	34.91	1,916.53
(iii) Unsecured	25.08	-	25.08
Total (B) - Gross	**126,720.45**	**23,523.44**	**150,243.89**
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (B) - Net	**122,382.31**	**23,266.92**	**145,649.23**
(C)			
(I) Loans in India	**126,720.45**	**23,523.44**	**150,243.89**
(i) Public sector	-	-	-
(ii) Others	126,720.45	23,523.44	150,243.89
Less: Impairment loss allowance	(4,338.14)	(256.52)	(4,594.66)
Total (C) - Net	**122,382.31**	**23,266.92**	**145,649.23**

The above Term Loans includes ₹ 2,101.53 Millions (as at March 31, 2021, ₹ 1,924.04 Millions) towards interest accrued, unamortised processing fee, gain/loss on modification of financial assets and gain/loss on FVTOCI.

a. Secured loans given to customers are secured by equitable mortgage of property. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

b. Secured loans include loans aggregating in ₹ 6.28 Millions (as at March 31, 2021, ₹ 13.22 Millions) in respect of which the creation of security is under process.

Note 7.1:
The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which the COVID-19 pandemic will continue to impact the Company's results will depend on ongoing as well as future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

Note 7.2:
On November 12, 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22, allowing the company to put in place the necessary system to implement the provisions till 30 September 2022. The Company has continued to classify accounts as NPA as per RBI circular dated 12 November 2021 and aligned its definition of default from month end process to Days Past Due on day end process basis . However, the aforesaid classification/ alignment does not have any significant impact on the Expected Credit Loss model and consequently on the financial statements for the year ended March 31, 2022.

Note 7.3:
The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

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Note 8. Investments

(₹ in Millions)

Particulars	As at March 31, 2022			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
Alternate Investment Funds	1,440.00	-	-	1,440.00
Debt securities	-	95.91	-	95.91
Equity instruments	-	-	2,296.72	2,296.72
Total – Gross (A)	**1,440.00**	**95.91**	**2,296.72**	**3,832.63**
(B)				
(i) Investments in India	1,440.00	95.91	2,296.72	3,832.63
Total (B)	**1,440.00**	**95.91**	**2,296.72**	**3,832.63**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**1,440.00**	**95.91**	**2,296.72**	**3,832.63**

(₹ in Millions)

Particulars	As at March 31, 2021			
	FVTPL	At Amortised Cost	At Cost	Total
(A)				
Alternate Investment Funds	-	-	-	-
Debt securities	-	125.97	-	125.97
Equity instruments	-	-	1,546.23	1,546.23
Total – Gross (A)	**-**	**125.97**	**1,546.23**	**1,672.20**
(B)				
(i) Investments in India	-	125.97	1,546.23	1,672.20
Total (B)	**-**	**125.97**	**1,546.23**	**1,672.20**
(C)				
Less: Impairment loss allowance	-	-	-	-
Total- Net (A-C)	**-**	**125.97**	**1,546.23**	**1,672.20**

Note 8.1 Investment Details Script Wise

Particulars	As at March 31, 2022	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Alternate Investment Funds		
IIFL One Value Fund Series B	134,313,931	1,440.00
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	95.91
Equity instruments in Subsidiary		
IIHFL Sales Limited	50,000	0.50
Equity instruments in Associate		
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	124,555,797	2,296.22

Particulars	As at March 31, 2021	
	Quantity (in actuals)	Carrying Value (₹ in Millions)
Debt instruments		
Elite Mortgage HL Trust June 2019 Series A PTC	5	125.97
Equity instruments in Associate		
IIFL Samasta Limited (Formerly known as Samasta Microfinance Limited)	80,203,334	1,546.23

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Note 9. Other financial assets

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits		
- Unsecured, considered good	19.77	15.45
- Unsecured, considered doubtful	8.04	8.46
Less: Provisions (Refer Note 9.1 below)	(8.04)	(8.46)
Interest strip asset on assignment	3,030.48	1,984.91
Other receivables	520.72	339.36
Total	**3,570.97**	**2,339.72**

Note 9.1. Provision on Security Deposits (₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening provision	8.46	8.09
Additions	-	0.37
Reductions	(0.42)	-
Closing provision	**8.04**	**8.46**

Note 10. Deferred tax assets (Net)

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

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	6.84	(0.48)	-	6.36
Provisions for expected credit losses	1,016.64	264.67	-	1,281.31
Provision for employee benefits	12.55	3.95	(0.28)	16.22
Fair value of derivative financial instruments	73.50	-	(60.78)	12.72
Right of use of Assets and lease liabilities	4.49	1.52	-	6.01
Adjustment pertaining to income and expenses recognition based on effective interest rate	161.94	39.77	-	201.71
Total deferred tax assets (A)	**1,275.96**	**309.43**	**(61.06)**	**1,524.33**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	(76.60)	(11.66)	-	(88.26)
Interest spread on assigned loans	(499.57)	(263.15)	-	(762.72)
Fair value of financial instruments	1.92	-	(34.36)	(32.44)
Total deferred tax liabilities (B)	**(574.25)**	**(274.81)**	**(34.36)**	**(883.42)**
Deferred tax assets (A+B)	**701.71**	**34.62**	**(95.42)**	**640.91**

Significant components of deferred tax assets and liabilities as at March 31, 2021 are as follows:

(₹ in Millions)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in/reclassified from OCI	Closing balance
Deferred tax assets:				
Property, Plant and Equipment	3.85	2.99	-	6.84
Provisions for expected credit losses	436.66	579.98	-	1,016.64
Provision for employee benefits	23.42	(6.95)	(3.92)	12.55
Fair value of derivative financial instruments	37.81	-	35.69	73.50
Right of use of Assets and lease liabilities	3.81	0.68	-	4.49
Fair value of financial instruments	21.00	(21.00)	1.92	1.92
Adjustment pertaining to income and expenses recognition based on effective interest rate	115.63	46.31	-	161.94
Total deferred tax assets (A)	**642.18**	**602.01**	**33.69**	**1,277.88**
Deferred tax liabilities:				
Provision for Bad and Doubtful debts under section 36(1)(viia)	-	(76.60)	-	(76.60)
Interest spread on assigned loans	(305.58)	(193.99)	-	(499.57)
Total deferred tax liabilities (B)	**(305.58)**	**(270.59)**	**-**	**(576.17)**
Deferred tax assets (A+B)	**336.60**	**331.42**	**33.69**	**701.71**

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Note 11A. Investment Property

(₹ in Millions)

Particulars	Building
As at March 31, 2020	**111.83**
Additions	-
Deductions/Adjustments	(36.99)
As at March 31, 2021	**74.84**
Additions	-
Deductions/Adjustments	-
As at March 31, 2022	**74.84**

Accumulated Depreciation	
As at March 31, 2020	**-**
Depreciation for the year	4.79
Deductions/Adjustments	-
As at March 31, 2021	**4.79**
Depreciation for the year	3.75
Deductions/Adjustments	-
As at March 31, 2022	**8.54**

Net Block as at March 31, 2021	**70.05**
Net Block as at March 31, 2022	**66.30**

Note 11A.1. Reconciliation of changes in the fair value of the Investment Property

(₹ in Millions)

Particulars	Building
As at March 31, 2020	**133.30**
Additions to fair value	-
Changes in the fair value (including sale)	(46.47)
As at March 31, 2021	**86.83**
Additions to fair value	-
Changes in the fair value (including sale)	0.97
As at March 31, 2022	**87.80**

The Fair Value of the Investment Property has been arrived on the basis of valuation carried out by an Independent Un-registered Valuer. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used.

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Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

Note 11A.2. Title deeds of Immovable Property not held in name of the Company

(₹ in Millions)

Particulars	Description of item of property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Building	27.50	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings
	Building	47.34	Borrower to whom loan has been given	No	December 31, 2019	Acquired in the SARFAESI Proceedings
Non-current Assets Held for Sale (Refer note 14)	Building (19 Properties)	96.99	Borrowers to whom loans were given	No	Repossessed between August 2017 to December 2020	Properties repossessed under SARFAESI Act.

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

Note 11B. Property, Plant and Equipment

(₹ in Millions)

Particulars	Freehold Land*	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Total
As at March 31, 2020	**0.86**	**17.00**	**8.10**	**8.48**	**54.72**	**89.16**
Additions	-	2.39	0.51	0.53	10.68	**14.11**
Deductions/Adjustments	-	7.08	0.56	2.62	13.21	**23.47**
As at March 31, 2021	**0.86**	**12.31**	**8.05**	**6.39**	**52.19**	**79.80**
Additions	-	4.15	1.84	2.55	61.97	**70.51**
Deductions/Adjustments	-	1.20	0.37	1.23	11.37	**14.17**
As at March 31, 2022	**0.86**	**15.26**	**9.52**	**7.71**	**102.78**	**136.14**
Accumulated Depreciation						
As at March 31, 2020	-	**7.72**	**3.86**	**4.39**	**24.47**	**40.44**
Depreciation for the year	-	2.50	1.44	1.40	21.10	**26.44**
Deductions/Adjustments	-	2.68	0.30	1.82	7.12	**11.92**
As at March 31, 2021	-	**7.54**	**5.00**	**3.97**	**38.45**	**54.96**
Depreciation for the year	-	3.00	1.46	2.18	18.08	**24.72**
Deductions/Adjustments	-	0.96	0.21	1.05	6.83	**9.05**
As at March 31, 2022	-	**9.58**	**6.24**	**5.10**	**49.70**	**70.63**
Net Block as at March 31, 2021	**0.86**	**4.77**	**3.05**	**2.42**	**13.74**	**24.84**
Net Block as at March 31, 2022	**0.86**	**5.68**	**3.28**	**2.61**	**53.08**	**65.51**

* The above Freehold Land is hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 12A. Leases

Statement showing movement in lease liabilities

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at March 31, 2020	**239.39**	**14.10**	**253.49**
Additions	4.81	0.99	**5.80**
Deductions/Adjustments	67.62	2.70	**70.32**
Finance cost accrued during the year	16.60	0.81	**17.41**
Payment of lease liabilities	48.64	8.71	**57.35**
As at March 31, 2021	**144.54**	**4.49**	**149.03**
Additions	43.49	11.19	**54.68**
Deductions/Adjustments	-	-	**-**
Finance cost accrued during the year	12.95	0.83	**13.78**
Payment of lease liabilities	37.20	6.47	**43.67**
As at March 31, 2022	**163.78**	**10.04**	**173.82**

Statement showing carrying value of right of use

(₹ in Millions)

Particulars	Premises	Vehicle	Total
As at March 31, 2020	**225.11**	**13.24**	**238.35**
Additions	8.89	0.98	**9.87**
Deductions/Adjustments	61.61	2.51	**64.12**
Depreciation	40.60	7.74	**48.34**
As at March 31, 2021	**131.79**	**3.97**	**135.76**
Additions	44.51	11.20	**55.71**
Deductions/Adjustments	0.12	-	**0.12**
Depreciation	31.21	5.62	**36.83**
As at March 31, 2022	**144.97**	**9.55**	**154.52**

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	30.46	25.40
Non- Current lease liabilities	143.36	123.63

Statement showing contractual maturities of lease liabilities on an undiscounted basis

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Due for		
Up to One year	43.33	36.76
One year to Two years	41.08	33.01
Two to Five years	96.50	76.86
More than Five years	60.42	44.94
Total	**241.33**	**191.57**

Statement showing amount recognised in Statement of Profit and Loss:

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Interest on lease liabilities	13.78	17.42
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	1.65	1.82
Total	**15.43**	**19.24**

Statement showing amount recognised in Statement of Cash Flows:

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Payment of interest on lease liabilities	13.78	17.42
Payment of lease liabilities	29.89	39.93
Total cash outflows for leases	**43.67**	**57.35**

Note 12B. Other Intangible Assets

(₹ in Millions)

Particulars	Computer Software
As at March 31, 2020	**9.83**
Additions	0.16
Deductions/Adjustments	-
As at March 31, 2021	**9.99**
Additions	2.18
Deductions/Adjustments	-
As at March 31, 2022	**12.17**
Accumulated Depreciation	
As at March 31, 2020	**6.89**
Depreciation For the year	1.84
Deductions/Adjustments	-
As at March 31, 2021	**8.73**
Depreciation For the year	1.62
Deductions/Adjustments	
As at March 31, 2022	**10.35**
Net Block as at March 31, 2021	**1.26**
Net Block as at March 31, 2022	**1.82**

The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets.

Note 13. Other Non Financial Assets

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	0.65	1.82
Prepaid Expenses	40.50	23.11
Others	5.56	2.44
Retirement benefit assets (Refer note 32.2)	1.03	5.91
Total	**47.74**	**33.28**

Note 14. Assets held for Sale

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for sale	96.99	139.46

The Company follows various collection mechanisms for recovery of dues from the borrowers, which involves initiating SARFAESI, actual/physical repossession of assets after eviction in lieu of the loan outstanding and subsequent sale of repossessed assets via auction process in case of default by the borrowers. The Company's endeavour is to sell the re-possessed assets, in a public auction and realise the sale proceeds to recover the Loan amount outstanding at the earliest. The Customer has all opportunity to repay the Loan amount before finalization of sale of the property and take back the possession. Since borrowers may settle the loans and in such cases, the property is handed back to them(in case the property is not yet sold in auction), the Company's management is of the view that acquiring such properties does not change the nature of the assets and that such re-possessed assets continue to be classified as financial assets. Therefore, such re-possessed properties are not classified as Assets Held for Sale as per IND AS 105. Expert Advisory Committee of the Institute of Chartered Accountants of India has been approached by the Company for an opinion in the classification of such repossessed assets as "Non- Current Assets Held For Sale", which is awaited.

Note 15. Trade Payables

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 15A)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	508.11	351.58
Total	**508.11**	**351.58**

Note 15A. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ in Millions)

Particulars	FY 2021-2022	FY 2020-2021
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

No interest has been paid / is payable by the Company during the year to the Suppliers registered under this Act.

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Trade Payables aging schedule

(₹ in Millions)

Particulars	Outstanding for following period from the date of transaction		Total
	Unbilled	Less than 1 Year	
As at March 31, 2022			
(i) MSME	-	-	**-**
(ii) Others	477.37	30.74	**508.11**
As at March 31, 2021			
(i) MSME	-	-	**-**
(ii) Others	335.48	16.10	**351.58**

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

Note 16. Debt Securities

(₹ in Millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
Secured:		
Non-convertible debentures - (Refer Note (a), (b) and 16.1)	21,440.44	21,027.50
Total (A)	**21,440.44**	**21,027.50**
Unsecured:		
Commercial Paper - (Refer Note 16.1)	739.42	-
Total (B)	**739.42**	**-**
Total (A+B)	**22,179.86**	**21,027.50**
Debt securities in India	22,179.86	21,027.50
Debt securities outside India	-	-

a. The above Non Convertible Debentures are secured by way of charge on current assets, book debts, receivables (both present and future), identified immovable property and other assets of the Company.

b. Non Convertible Debentures – Secured includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 281.25 Millions (May 15, 2022), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024) {as at March 31, 2021 ₹ 843.75 Millions (May 15, 2021 and every six months thereafter), ₹ 150.00 Millions (from December 20, 2023) and ₹ 150.00 Millions (from March 20, 2024)}.

Note 16.1 - Terms of repayment

(₹ in Millions)

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Secured NCD (A)				
(a) Fixed:				
More than 5 years	13,605.15	5.00 % - 9.18%	5,985.99	8.69% - 9.18%
3- 5 Years	2,082.50	8.20 % - 10.33%	300.00	10.03% - 10.33%
1-3 Years	2,257.16	8.25%	-	-
Less than 1 year	373.15	5.00% - 9.87%	2,067.06	8.00% - 9.38%
Sub-Total (a)	**18,317.96**		**8,353.05**	
(b) Floating:				
More than 5 years	-	-	-	-
3- 5 Years	-	-	-	-
1-3 Years	-	-	281.25	8.56%
Less than 1 year	290.73	7.51%	2,731.56	8.56% - 9.40%
Sub-Total (b)	**290.73**		**3,012.81**	
Total Secured NCD A=(a+b)	**18,608.69**		**11,365.86**	
Secured Zero Coupon (B)				
More than 5 years	37.13	8.75%	370.00	8.60% - 8.62%
3- 5 Years	42.48	8.50%	856.60	9.12% - 10.30%
1-3 Years	1,208.49	8.25% - 10.30%	1,367.56	9.35% - 9.55%
Less than 1 year	1,543.63	9.35% - 9.55 %	7,067.48	8.20% - 10.20%
Total Secured Zero Coupon (B)	**2,831.73**		**9,661.64**	
Unsecured (C)				
Commercial Paper				
Less than 1 year	739.42	6.30% - 6.35%	-	-
Total (A+B+C)	**22,179.85**		**21,027.50**	

Note 16.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date Of Maturity 06/04/2021	8.20%	-	270.60
Zero Coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series B9 Option B. Date Of Maturity 30/04/2021	8.70%	-	532.56
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 1. Date Of Maturity 19/05/2021	9.25%	-	500.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option B. Date Of Maturity 25/05/2021	8.80%	-	260.00
IDFC MCLR Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series B11. Date Of Maturity 28/06/2021	9.85%	-	2,000.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 2. Date Of Maturity 15/07/2021	9.35%	-	240.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 1. Date Of Maturity 26/07/2021	9.35%	-	2,350.59
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series B12 Option 2. Date Of Maturity 05/08/2021	9.25%	-	250.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C4. Date Of Maturity 11/08/2021	9.35%	-	967.80
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date Of Maturity 26/10/2021	10.20%	-	100.00
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date Of Maturity 03/11/2021	8.90%	-	50.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date Of Maturity 24/01/2022	9.38%	-	500.00

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
8% Secured Redeemable Non Convertible Debentures. Series series D1. Maturity Date: 18/02/2022	8.00%	-	1,250.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C7. Date Of Maturity 04/04/2022	9.45%	240.00	240.00
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	298.00	334.00
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	281.25	843.75
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	580.00	580.00
G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024	9.12%	501.89	501.89
G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024	10.30%	200.00	200.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	150.00	150.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026	10.05%	150.00	150.00
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028	8.60%	180.00	180.00
8.62% Secured Redeemable Non Convertible Debentures. Series.Series D4. Maturity Date: 12/03/2028	8.62%	190.00	190.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.18%	3,000.00	3,000.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030.	8.69%	3,000.00	3,000.00
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D5.Date Of Maturity 16/04/2029	8.70%	360.00	-
8.70% Secured Rated Listed Redeemable Non Convertible Debentures.Series D6.Date Of Maturity 14/05/2030	8.70%	1,090.00	-
8.20% Secured Rated Listed Redeemable Non Convertible Debentures.Series D7.Date Of Maturity 28/09/2026	8.20%	1,120.00	-
8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche Ii. Date Of Maturity 03/01/2025	8.25%	2,257.16	-
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity 03/01/2025.	8.25%	267.33	-
8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iii Tranche Ii. Date Of Maturity 03/01/2027	8.20%	526.52	-
8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series Iv Tranche Ii. Date Of Maturity 03/01/2027	8.50%	135.98	-
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity 03/01/2027.	8.50%	42.49	-
8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vi Tranche Ii. Date Of Maturity 03/01/2029.	8.43%	537.36	-
8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series Vii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	221.77	-
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	55.27	-
8.585% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030	8.59%	4,333.00	-
5% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad Ii. Date Of Maturity 28/02/2031	5.00%	747.00	-
Total		**20,465.02**	**18,641.19**

Note: Statement showing contractual principal outstanding of Secured Non Convertible Debentures.

Note 17. Borrowings (other than debt securities)

(₹ in Millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
Secured:		
(a) Term loans		
(i) from Banks (Refer Note (a), (b) and 17.1)	69,249.42	61,986.61
(ii) from NHB (Refer Note (a), (b) and 17.2)	27,637.08	27,455.97
(iii) from Financial Institution (Refer Note (b) and 17.3)	8,269.92	8,872.60
(b) Securitisation Liability (Refer Note 17.4)	4,172.92	5,453.04
(c) Cash credit / Overdraft from Banks (Refer Note (a), (b) and 17.4)	120.00	940.00
Total	**109,449.34**	**104,708.22**
Borrowings in India	105,558.27	101,032.99
Borrowings outside India	3,891.07	3,675.23
Total	**109,449.34**	**104,708.22**

a. Out of the total borrowing from Banks, borrowings amounting to ₹ 533.33 Millions (March 31, 2021 ₹ 1,937.91 Millions) and Refinance Facility from NHB amounting to ₹ 7,921.63 Millions (March 31, 2021 ₹ 10,317.52 Millions) are also guaranteed by Holding Company i.e. IIFL Finance Limited

b. The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically charged.

Note 17.1 - Terms of repayment of Term Loans from Banks

(₹ in Millions)

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	9,579.81	7.70 % - 9.50 %	5,702.69	7.80% - 9.50%
3- 5 Years	12,805.74	7.70 % - 9.50 %	7,116.04	7.60% - 10.00%
1-3 Years	26,972.42	7.40 % - 10.00%	29,645.77	7.50% - 10.00%
Less than 1 year	19,891.44	7.35% - 10.00%	19,522.11	7.20% - 10.00%
Total	**69,249.42**		**61,986.61**	

Note 17.2 - Terms of repayment of term loans from NHB

(₹ in Millions)

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Fixed:				
More than 5 years	6,526.38	2.94 % - 6.85 %	6,550.83	3.00% - 8.95%
3- 5 Years	5,941.46	2.94 % - 8.18 %	6,149.08	3.00% - 8.95%
1-3 Years	10,399.38	2.94 % - 8.18 %	7,366.22	3.00% - 8.95%
Less than 1 year	4,769.86	2.94 % - 8.80 %	7,389.84	3.00% - 8.95%
Total	**27,637.08**		**27,455.97**	

Note 17.3 - Terms of repayment of term loans from Financial Institution

(₹ in Millions)

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
More than 5 years	4,385.20	8.50 % - 9.00 %	4,798.08	8.50% - 9.25%
3- 5 Years	1,782.70	8.50 % - 9.00 %	1,727.40	8.50% - 9.25%
1-3 Years	1,496.53	8.50 % - 9.00 %	1,604.98	8.50% - 9.25%
Less than 1 year	605.49	8.50 % - 9.00 %	742.14	8.50% - 9.25%
Total	**8,269.92**		**8,872.60**	

Note 17. 4 - Terms of repayment of other loans

(₹ in Millions)

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
Floating:				
Cash credit / Overdraft from Banks (A)				
Less than 1 year	120.00	7.20%	940.00	8.50% -10.00%
Securitisation Liability (B)				
More than 5 years	3,189.45	6.35% - 7.80%	3,852.22	6.45% - 8.20%
3- 5 Years	391.62	6.35% - 7.80%	641.88	6.45% - 8.20%
1-3 Years	442.64	6.35% - 7.80%	605.81	6.45% - 8.20%
Less than 1 year	149.21	6.35% - 7.80%	353.13	6.45% - 8.20%
Sub-Total - Securitisation Liability	**4,172.92**		**5,453.04**	
Total (A+B)	**4,292.92**		**6,393.04**	

Note 18. Subordinated liabilities

(₹ in Millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
Non-convertible debentures - Unsecured	10,576.86	4,366.73
Total	**10,576.86**	**4,366.73**
Subordinated Liabilities in India	10,576.86	4,366.73
Subordinated Liabilities outside India	-	-
Total	**10,576.86**	**4,366.73**

Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024), ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025) {as at March 31, 2021 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 100.00 Millions (from February 28, 2024), ₹ 1,265.16 Millions (from May 14, 2024), ₹ 400.00 Millions (from June 18, 2025) and ₹ 300.00 Millions (from July 14, 2025)}.

Note 18.1 - Terms of repayment of Subordinated Debt

(₹ in Millions)

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Amount	Rate of Interest / Yield	Amount	Rate of Interest / Yield
(a) Fixed:				
More than 5 years	8,067.49	8.85% - 10.02%	1,515.46	8.85% - 9.85%
3- 5 Years	-	-	-	-
1-3 Years	650.00	8.93% - 9.30%	650.00	8.93% - 9.30%
Less than 1 year	129.06	8.51% - 9.60%	598.89	8.85% - 10.50%
Total Fixed	**8,846.55**		**2,764.35**	
(b) Zero Coupon:				
More than 5 years	1,730.31	9.40%	1,602.38	9.40%
Total (a+b)	**10,576.86**		**4,366.73**	

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI Directions for Housing Finance Companies for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2022, 95% (P.Y. 78%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Note 18.2 - Security wise details

(₹ in Millions)

Particulars	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo1. Date Of Maturity 26/07/2021	10.50%	-	170.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo2. Date Of Maturity 10/08/2021	10.50%	-	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U03. Date Of Maturity 25/01/2022	9.30%	-	100.00
9.30% Unsecured Subordinate Non Convertible Debentures. Series U04. Date Of Maturity 11/02/2022	9.30%	-	100.00
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	500.00	500.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	150.00	150.00
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	750.00	750.00
9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08. Date Of Maturity 28/02/2028	9.05%	100.00	100.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09. Date Of Maturity 16/06/2028	9.85%	400.00	400.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	300.00	300.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	1,265.16	1,265.16
10% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity : 03/11/2028	10.00%	2,327.22	-
9.6% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Ii.Date Of Maturity : 03/11/2028	9.60%	3,828.24	-
Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Iii.Date Of Maturity : 03/11/2028	10.02%	402.78	-
Total		**10,023.40**	**3,935.16**

Note: Statement showing contractual principal outstanding of Subordinated Non Convertible Debentures.

Note 19. Other Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Book overdraft*	7,468.06	4,505.77
Unclaimed interest and redemption proceeds of NCDs**	12.40	14.27
Other Payables#	1,964.00	1,333.85
Total	**9,444.46**	**5,853.89**

* Book overdraft represents cheque issued towards disbursement to borrowers but not presented to banks as on March 31, 2022.

** As required under Section 125 of the Companies Act, 2013, the Company, during the year, has transferred ₹ 1.83 Millions (P.Y. ₹ 0.25 Millions) to the Investor Education and Protection Fund (IEPF). As of March 31, 2022, ₹ 0.12 Millions (P.Y.₹ 0.05 Millions) was due for transfer to the IEPF.

1. Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.37 Millions (P.Y. ₹ 0.16 Millions).

2. In accordance with RBI notification dated April 7, 2021, the Company is required to refund/adjust 'interest on interest' to eligible borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Company is in the process of suitably implementing this methodology. As at March 31, 2022 the Company has created a liability towards estimated interest relief and reduced the same from the interest income.

Note 20. Provisions

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for Employee Benefits		
-Provision for Leave Encashment	54.70	47.76
-Provision for Bonus	85.80	78.02
Total	**140.50**	**125.78**

Note 20.1. Provision for Leave Encashment

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening provision	47.76	36.80
Additions	17.79	28.18
Reductions	(10.85)	(17.22)
Closing provision	**54.70**	**47.76**

Note 20.2. Provision for Bonus

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening provision	78.02	111.70
Additions	85.80	78.02
Reductions	(78.02)	(111.70)
Closing provision	**85.80**	**78.02**

Note 21. Other Non Financial Liabilities

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances	106.86	85.71
Unspent CSR (Refer note no 38A)	30.30	-
Advances from borrowers	370.88	1,044.49
Income received in advance	0.05	3.41
Total	**508.09**	**1,133.61**

Note 22. Equity

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

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
152,000,000 Equity Shares of ₹10/- each with voting rights (as at March 31, 2021 - 152,000,000)	1,520.00	1,520.00
20,000,000 Preference Shares of ₹10/- each (as at March 31, 2021 20,000,000)	200.00	200.00
Total	**1,720.00**	**1,720.00**
Issued, Subscribed and Paid Up		
Equity Share Capital		
20,968,181 Equity Shares of ₹10/- each fully paid-up (as at March 31, 2021 20,968,181)	209.68	209.68
Total	**209.68**	**209.68**

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(₹ in Millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,968,181	209.68	20,968,181	209.68
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**20,968,181**	**209.68**	**20,968,181**	**209.68**

(c) Terms/rights attached to equity shares:

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

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of 10 each fully paid				
IIFL Finance Limited and its nominees	20,968,181	100%	20,968,181	100%

(e) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash or by way of bonus shares or shares bought back.

(f) Details of shares held by Promoters

Particulars	Promoter Name	No of Shares*	% of Total Shares	% Change during the year
As at March 31, 2022	IIFL Finance Limited	20,968,181	100.00%	-
As at March 31, 2021	IIFL Finance Limited	20,968,181	100.00%	-

* Shares held by IIFL Finance Limited and its nominees. The shareholding of Nominee is 600 shares.

IIFL HOME FINANCE LIMITED
Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

23. Other Equity

1. As at March 31, 2022

(₹ in Millions)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the current reporting year	**7,991.57**	**1,438.60**	**2,873.70**	**9,121.51**	**(5.89)**	**(166.36)**	**(5.72)**	**21,247.41**
Profit for the year	-	-	-	5,779.95	-	-	-	**5,779.95**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 1)	-	-	-	-	-	96.05	-	**96.05**
Remeasurement of defined benefit (Net of Tax) (Refer Note 2)	-	-	-	-	0.83	-	-	**0.83**
Equity Dividend (Refer Note 3)	-	-	-	(629.05)	-	-	-	**(629.05)**
Transfer to Special Reserve (Refer Note 4)	-	-	1,156.00	(1,156.00)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	102.17	**102.17**
Balance at the end of the Current reporting year	**7,991.57**	**1,438.60**	**4,029.70**	**13,116.41**	**(5.06)**	**(70.31)**	**96.45**	**26,597.36**

2. As at March 31, 2021

(₹ in Millions)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	General Reserve	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987	Retained Earnings	Re-measurement of Actuarial Gains and Losses	Effective portion of Cash Flow Hedges	Fair value of loans carried at FVTOCI	
Balance at the beginning of the Previous reporting year	**7,991.57**	**1,438.60**	**2,068.70**	**6,439.76**	**(17.54)**	**(130.62)**	**-**	**17,790.46**
Profit for the year	-	-	-	4,010.95	-	-	-	**4,010.95**
Fair Value change on derivatives designated as Cash Flow Hedge (Net of Tax) (Refer Note 1)	-	-	-	-	-	(35.74)	-	**(35.74)**
Remeasurement of defined benefit (Net of Tax) (Refer Note 2)	-	-	-	-	11.66	-	-	**11.66**
Equity Dividend (Refer Note 3)	-	-	-	(524.20)	-	-	-	**(524.20)**
Transfer to Special Reserve (Refer Note 4)	-	-	805.00	(805.00)	-	-	-	**-**
Fair value of loans carried at FVTOCI	-	-	-	-	-	-	(5.72)	**(5.72)**
Balance at the end of the Previous reporting year	**7,991.57**	**1,438.60**	**2,873.70**	**9,121.51**	**(5.89)**	**(166.36)**	**(5.72)**	**21,247.41**

1. The amount refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
2. The amount refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.
3. During the year, the Board of Directors of the Company has declared and paid interim dividend of ₹ 30/- per equity share (P.Y. ₹ 25/-).
4. As per Section 29C(1) of National Housing Bank Act 1987, the Company is required to transfer at least 20% of its Net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act,1961 is considered to be an eligible transfer.

M.P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

Note 24. Interest Income

(₹ in Millions)

Particulars	FY 2021-22		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	2,098.64	16,457.83	18,556.47
Interest income from investments	-	9.01	9.01
Interest on inter corporate deposits	-	0.13	0.13
Interest on deposits with Banks	-	191.84	191.84
Total	**2,098.64**	**16,658.81**	**18,757.45**

(₹ in Millions)

Particulars	FY 2020-21		
	On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Interest on Loans	1,972.81	15,159.48	17,132.29
Interest income from investments	-	12.34	12.34
Interest on inter corporate deposits	-	427.93	427.93
Interest on deposits with Banks	-	214.07	214.07
Total	**1,972.81**	**15,813.82**	**17,786.63**

Note 25. Dividend Income

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Dividend income	-	40.71
Total	**-**	**40.71**

Note 26. Fees and Commission Income

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Fees & Other Charges	616.93	513.56
Insurance Commission	152.63	133.82
Total	**769.56**	**647.38**

Note 27. Net Gain on Fair Value Changes

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Net gain on financial instruments at FVTPL		
On trading portfolio		
- Investments	63.16	185.01
Total Net gain on fair value changes	**63.16**	**185.01**
Fair Value changes:		
-Realised	63.16	185.01
Total Net gain on fair value changes	**63.16**	**185.01**

Note 28.1 Net Gain on derecognition of financial instruments under amortised cost category

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Foreclosure of loans	70.96	95.25
Bad debts recovery	38.28	43.92
Total	**109.24**	**139.17**

Note 28.2 Net gain on derecognition of financial instruments under FVTOCI

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Assignment of loans	1,045.58	770.76
Foreclosure of loans	113.18	-
Total	**1,158.76**	**770.76**

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Note 29. Other Income

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Profit on sale of Assets	15.39	-
Marketing, advertisement and support service fees	1,331.51	1,107.84
Interest on Income Tax Refund	6.75	-
Total	**1,353.65**	**1,107.84**

Note 30. Finance Costs

(₹ in Millions)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2021-22	FY 2020-21
Interest on inter-corporate deposits	202.32	0.00
Interest on borrowings (other than debt securities)	7,957.67	8,094.33
Interest on debt securities	1,464.36	1,882.47
Interest on subordinated liabilities	801.61	416.33
Other interest expense		
Interest on lease liabilities	13.78	17.42
Other borrowing cost	185.06	122.18
Total	**10,624.80**	**10,532.73**

Statement showing exchange fluctuation on account of foreign currency borrowings measured through Other Comprehensive Income:

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Revaluation Gain/(Loss) on Foreign currency loan	(113.16)	94.06
Recognised in Other Comprehensive Income	113.16	(94.06)

Note 31. Impairment on Financial Instruments, including write-offs

(₹ in Millions)

Particulars	FY 2021-22 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	16.67	1,034.93	1,051.60
Bad debts written off	-	548.39	548.39
Total	**16.67**	**1,583.32**	**1,599.99**

(₹ in Millions)

Particulars	FY 2020-21 On Financial Assets measured at		
	FVTOCI	Amortised Cost	Total
Loans	119.08	2,185.32	2,304.40
Bad debts written off	-	412.47	412.47
Total	**119.08**	**2,597.79**	**2,716.87**

Note 32. Employee Benefits Expenses

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Salaries and wages	1,582.54	1,441.57
Contribution to provident and other funds (Refer Note 32.1)	62.53	54.82
Leave Encashment	16.84	22.81
Gratuity (Refer Note 32.2)	15.93	18.74
Staff welfare expenses#	39.16	46.49
Total	**1,717.00**	**1,584.43**

#The Group company i.e. IIFL Finance Limited and IIFL Securities Limited have granted stock options to its employees as well as employees of the Company. Pursuant to the scheme, the Company has reimbursed the group companies ₹ 11.30 Millions (P.Y. ₹ 22.67 Millions paid to Group companies i.e. IIFL Finance Limited, IIFL Securities Limited and IIFL Wealth Management Limited) during the year on account of such costs and the same is forming part of Employee benefit expenses.

32.1 Defined Contribution Plans:

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

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Contribution to Provident fund	32.56	27.82
Contribution to ESIC	4.13	3.87
Contribution to Labour Welfare Fund	0.28	0.23
Company contribution to EPS	23.18	21.68
Company contribution to NPS	2.38	1.22
Total	**62.53**	**54.82**

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

Particulars	FY 2021-22	FY 2020-21
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Year	01-04-21	01-04-20
Date of Reporting	31-03-22	31-03-21
Period of Reporting	12 Months	12 Months

Assumptions (Current Year)

Particulars	FY 2021-22	FY 2020-21
Expected Return on Plan Assets	6.98%	6.85%
Rate of Discounting	6.98%	6.85%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

Table Showing Change in the Present Value of Projected Benefit Obligations

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Present Value of Benefit Obligation at the Beginning of the Year	82.05	73.96
Interest Cost	5.62	5.06
Current Service Cost	16.34	17.95
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.48	6.22
Liability Transferred Out/ Divestment	(0.83)	(3.97)
Benefit Paid Directly by the Employer	(0.02)	(0.08)
Benefit Paid From the Fund	(6.17)	(6.62)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.02	(0.61)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(2.15)	(0.14)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(1.42)	(9.72)
Present Value of Benefit Obligation at the End of the Year	**93.92**	**82.05**

Table Showing Change in the Fair Value of Plan Assets

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Fair Value of Plan Assets at the Beginning of the Year	87.96	62.36
Interest Income	6.02	4.27
Contributions by the Employer	9.57	22.84
Benefit Paid from the Fund	(6.17)	(6.62)
Return on Plan Assets, Excluding Interest Income	(2.43)	5.11
Fair Value of Plan Assets at the End of the Year	**94.95**	**87.96**

Amount Recognised in the Balance Sheet

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the end of the Year	93.92	82.05
Fair Value of Plan Assets at the end of the Year	94.95	87.95
Funded Status Surplus/ (Deficit)	1.03	5.91
Net (Liability)/Asset Recognised in the Balance Sheet	**1.03**	**5.91**

Net Interest Cost

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Present Value of Benefit Obligation at the Beginning of the Year	82.05	73.96
Fair Value of Plan Assets at the Beginning of the Year	(87.96)	(62.36)
Net Liability/(Asset) at the Beginning of the Year	**(5.91)**	**11.60**
Interest Cost	5.62	5.06
Interest Income	(6.02)	(4.27)
Net Interest Cost	**(0.40)**	**0.79**

Expenses Recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Current Service Cost	16.33	17.95
Net Interest Cost	(0.40)	0.79
Past Service Cost	-	-
Expenses Recognised	**15.93**	**18.74**

Expenses Recognised in the Other Comprehensive Income (OCI)

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Actuarial (Gains)/Losses on Obligation For the Year	(3.54)	(10.47)
Return on Plan Assets, Excluding Interest Income	2.43	(5.11)
Net (Income)/Expense For the Year Recognised in OCI	**(1.11)**	**(15.58)**

Balance Sheet Reconciliation

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Net Liability	(5.91)	11.60
Expenses Recognised in Statement of Profit and Loss	15.93	18.74
Expenses Recognised in OCI	(1.11)	(15.58)
Net Liability/(Asset) Transfer In	0.48	6.22
Net (Liability)/Asset Transfer Out	(0.83)	(3.97)
Benefit Paid directly by the Employer	(0.02)	(0.08)
Employer's Contribution	(9.57)	(22.84)
Net Liability/(Asset) Recognised in the Balance Sheet	**(1.04)**	**(5.91)**

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SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

IIFL Home Finance Limited

Category of Assets

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance fund	94.95	87.95
Total	**94.95**	**87.95**

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirements of Ind AS 19 "Employee Benefits".

Other Details

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Prescribed Contribution For Next Year (12 Months)	17.61	10.43

Net Interest Cost for Next Year

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Present Value of Benefit Obligation at the End of the Year	93.92	82.05
Fair Value of Plan Assets at the End of the Year	(94.95)	(87.95)
Net Liability/(Asset) at the End of the Year	**(1.03)**	**(5.90)**
Interest Cost	6.56	5.62
Interest Income	(6.63)	(6.02)
Net Interest Cost for Next Year	**(0.07)**	**(0.40)**

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

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Current Service Cost	18.64	16.33
Net Interest Cost	(0.07)	(0.40)
Expected Contributions by the Employees	-	-
Expenses Recognised	**18.57**	**15.93**

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	0.79	2.79
2nd Following Year	0.95	0.72
3rd Following Year	1.07	0.85
4th Following Year	1.18	0.95
5th Following Year	1.46	1.05
Sum of Years 6 To 10	10.36	8.95
Sum of Years 11 and above	354.59	307.19

Sensitivity Analysis

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Projected Benefit Obligation on Current Assumptions	93.92	82.05
Delta Effect of +1% Change in Rate of Discounting	(14.69)	(12.92)
Delta Effect of -1% Change in Rate of Discounting	18.14	16.05
Delta Effect of +1% Change in Rate of Salary Increase	12.87	12.10
Delta Effect of -1% Change in Rate of Salary Increase	(11.54)	(10.84)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.06)	(2.44)
Delta Effect of -1% Change in Rate of Employee Turnover	2.34	2.81

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note 33. Other Expenses

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Advertisement	43.48	20.04
Loan processing expenses	39.93	70.63
Marketing expenses	47.64	19.55
Bank charges	13.21	9.17
Communication	13.87	14.28
Electricity	15.74	14.01
Rating and custodian fees	11.33	1.18
Legal & professional fees	161.82	142.20
Commission & sitting fees	5.31	5.68
Miscellaneous expenses	6.29	3.12
Office expenses	74.33	60.05
Postage & courier	13.98	6.48
Printing & stationary	15.89	8.64
Rates & taxes	0.25	1.02
Rent (Refer note 12A)	42.50	28.01
Repairs & maintenance	7.18	7.30
Payments to auditors*	6.12	4.85
Software charges	60.78	27.63
Security expenses	16.48	22.20
Travelling & conveyance	43.96	26.22
Corporate Social Responsibility (CSR) Expenses (Refer note 38A)	105.68	79.06
Loss on sale of assets	0.31	14.29
Total	**746.08**	**585.61**

***Payments to auditors** (₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Audit Fees	2.94	1.72
Limited Reviews	1.09	0.55
Other matters and certification	1.77	1.96
Out of Pocket Expenses	0.32	0.62
Total as per Statement of Profit and Loss	**6.12**	**4.85**
Amount paid towards certification required under for its Public Issue of Non Convertible Debentures which has been amortised using Effective Interest Rate Method over the tenure of the debenture	7.55	-
Total	**13.67**	**4.85**

Note 34. Income taxes
Amounts recognised in the Statement of Profit and Loss

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Current tax expense		
Current year	1,701.00	1,419.33
Tax of earlier years	13.30	0.97
Deferred tax expense		
Origination and reversal of temporary differences	(34.62)	(331.41)
Total	**1,679.68**	**1,088.89**

Reconciliation of total tax expense

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Profit before tax	**7,459.63**	**5,099.84**
Tax using the domestic tax rate	1,877.44	1,283.53
Tax effect of:		
Non-deductible expenses	27.98	21.37
Tax-exempt income (includes deduction u/s 80JJAA)	(241.63)	(204.85)
Tax on Dividend	-	(10.25)
Income taxed at different rates	-	(4.23)
Recognition of previously unrecognised deductible temporary differences	-	2.34
Adjustments for current tax for prior periods	13.30	0.98
De-Recognition of previously recognised deductible temporary differences	2.59	-
Total income tax expense	**1,679.68**	**1,088.89**

Note 35. Earnings Per Share:

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

(₹ in Millions)

Particulars		FY 2021-22	FY 2020-21
Nominal value of equity shares in ₹ fully paid up		10	10
BASIC			
Profit after tax as per Statement of Profit and Loss	A	5,779.95	4,010.95
Weighted Average Number of Equity Shares Outstanding	B	20,968,181	20,968,181
Basic EPS (In ₹)	**A/B**	**275.65**	**191.29**
DILUTED			
Weighted Average Number of Equity shares for computation of diluted EPS	C	20,968,181	20,968,181
Diluted EPS (In ₹)	**A/C**	**275.65**	**191.29**

Note 36. Capital / Other Commitments and Contingent Liabilities at the Balance Sheet date

a. Commitments: As at the balance sheet date there were undrawn credit commitments of ₹ 16,895.64 Millions (P.Y. ₹ 14,757.15 Millions) representing the loan amounts sanctioned but not disbursed.

b. Contingent Liabilities:

i. Claim against the Company not acknowledged as debt ₹ 1.58 Millions (P.Y. ₹ 1.15 Millions).

ii. Credit enhancement and Guarantee given for securitisation and assignment transactions amounting to ₹ 1,956.72 Millions and ₹ 233.40 Millions respectively (P.Y. ₹ 1,900.56 Millions and ₹ 233.40 Millions).

Note 37. Disclosure as per Ind AS -108 “Operating Segments”

The Company's main business is financing by way of loans for the purchase or construction of residential houses, Loans against property and construction of real estate and certain other purposes, in India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on ‘Segment Reporting’.

Note 38A. Corporate Social Responsibility

The Company was required to spend ₹ 105.00 Millions (P.Y. ₹ 78.05 Millions) towards Corporate Social Responsibility (CSR) activities for the current financial year.

(₹ in Millions)

Particulars	FY 2021-2022		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	75.38	30.30	105.68
(b) Shortfall at the end of the year*	-	30.30	30.30
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	75.38	30.30	105.68

*The Company during the year had contributed towards the ongoing projects to IIFL Foundation and which remained unspent as on March 31, 2022 resulting in shortfall. The unspent amount has been transferred to a separate Bank account on April 08, 2022 and will be spent during the FY 2022-23

(₹ in Millions)

Particulars	FY 2020-2021		
	Amount Spent	Amount Unspent/Provision	Total
(a) Amount of expenditure incurred	79.06	-	79.06
(b) Shortfall at the end of the year	-	-	-
(c) Total of previous years shortfall	-	-	-
(d) Nature of CSR activities:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	79.06	-	79.06

(i) The aforementioned amount spent during the year has been contributed to India Infoline Foundation and others.
(ii) Nature of CSR activities: Promoting Education and Healthcare and eradicating poverty

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Note 38B. Additional Regulatory Information under MCA Notification dated March 24, 2021

a. Details of Benami Property held: There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. Additional information where borrowings are from banks or financial institutions:

(i) The revised quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 21, Sept 21 and Dec 21 are in agreement with the books of accounts. Further for quarter ended Mar 22 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date

c. Wilful Defaulter: The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. Relationship with Struck off Companies : During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

Particulars	March 31, 2022	March 31, 2021
Capital to risk-weighted assets ratio (CRAR) (%)	30.48	22.98
Tier I CRAR (%)	21.10	19.61
Tier II CRAR (%)	9.38	3.37
Liquidity Coverage Ratio (%)	1079%	NA

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

h. Compliance with approved Scheme(s) of Arrangements: NA

i. Utilisation of Borrowed funds and share premium:

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i). No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii). No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

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

l. Capital work in progress (CWIP) and Intangible asset: The Company does not have any CWIP and Intangible asset under development.

Note 39 Financial Instruments

Note 39 A. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk comprising of interest rate risk, currency risk and price risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

Financial Risk Management Structure

The Company has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee ("RMC") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer ("CRO") who reports to the Chief Executive Officer ("CEO") with oversight of RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company has a risk framework constituting various lines of defence – the first line of defence consisting of the Management of the Company being responsible for seamless integration of risk principles across all businesses. Additionally, it ensures managerial & supervisory controls to ensure compliance and highlight inadequate processes and unexpected events.

Independent risk & policy team constitutes second life of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control & self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

The Company has defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Company.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

39 A.1 Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, a asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Company monitors its portfolio, based on product, underlying security and credit risk characteristics.

39 A.1(I) Credit Risk Grading of loans and loss allowances

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes and carries out audit on periodic basis.

The Company has initiated portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardize credit underwriting & improve sourcing quality in the long run.

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition, considering all reasonable present and forward looking information, including that of forward looking.

Owing to the prevailing situation, additional Management overlay on account of COVID-19 has been considered in the ECL calculations for arriving at the impairment provisions required under IND AS 109.

The Company categorises loan assets into stages based on the Days Past Due status: -

Stage 1: [0-31 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination.

Stage 2: [32-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

Stage 3: [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Additionally, the Company evaluates risk based on staging which are as follows:

(₹ in Millions)

Risk Categorisation	As at March 31, 2022	As at March 31, 2021
Stage 1	145,111.56	137,579.44
Stage 2	9,631.04	9,366.35
Stage 3	3,887.02	3,298.10
Total	**158,629.62**	**150,243.89**

Financial Assets measured at Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Unsecured Inter Corporate Deposits to group companies and Other Financial Assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Management of the Company expects no defaults in the above mentioned financial assets and insignificant history of defaults has been observed by the Management in the previous years on such Financial Assets. Hence, no ECL has been recognised on the above mentioned Financial assets as at the reporting date.

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39 A.1(II) Credit quality analysis

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

(₹ in Millions)

As at March 31, 2022					
Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**Financial assets for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured at Simplified Approach**	**Total**
Cash and cash equivalents	-	-	-	13,987.31	**13,987.31**
Bank Balance other than above	-	-	-	4,332.94	**4,332.94**
Receivables					
(i) Trade Receivables	341.02	3.85	-	-	**344.87**
Loans at FVTOCI	29,127.22	-	-	-	**29,127.22**
Loans at amortised cost	115,984.34	9,631.04	3,887.02	-	**129,502.40**
Other Financial assets	-	-	-	3,579.01	**3,579.01**

(₹ in Millions)

As at March 31, 2021					
Particulars	**Financial Assets where loss allowance measured at 12-month ECL**	**Financial assets for which credit risk has increased significantly and credit not impaired**	**Financial assets for which credit risk has increased significantly and credit impaired**	**Financial Assets where loss allowance measured at Simplified Approach**	**Total**
Cash and cash equivalents	-	-	-	4,123.27	**4,123.27**
Bank Balance other than above	-	-	-	4,437.40	**4,437.40**
Receivables					
(i) Trade Receivables	306.35	-	-	-	**306.35**
Loans at FVTOCI	23,280.12	243.32	-	-	**23,523.44**
Loans at amortised cost	114,299.32	9,123.03	3,298.10	-	**126,720.45**
Other Financial assets	-	-	-	2,348.18	**2,348.18**

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(b). The following tables show reconciliations from the opening to the closing balance of the Exposure At Default (EAD) and Expected Credit Loss (ECL) by class of financial instrument.

Loans and advances

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2021	**136,619.88**	**14,907.77**	**9,005.07**	**718.16**	**2,694.90**	**603.20**	**148,319.85**	**16,229.13**
New Loans Disbursed during the year	82,605.56	-	409.07	-	104.45	-	**83,119.08**	**-**
Loan Derecognised	(37,966.31)	(452.33)	(809.75)	(110.70)	(983.57)	(210.74)	**(39,759.63)**	**(773.77)**
Movement in Stages								
From Stage 1	(7,246.16)	(529.20)	5,967.97	426.81	1,278.20	102.39	-	-
From Stage 2	2,864.86	240.76	(3,334.37)	(277.19)	469.51	36.43	-	-
From Stage 3	320.07	51.16	52.77	4.83	(372.84)	(55.99)	-	-
Loans Repaid in part or full	(33,108.57)	3,014.42	(2,014.95)	(90.37)	(27.68)	247.63	**(35,151.19)**	**3,171.68**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	2.02	-	(0.57)	-	1.13	**-**	**2.58**
Closing EAD March 31, 2022	**144,089.33**	**17,234.60**	**9,275.81**	**670.97**	**3,162.97**	**724.05**	**156,528.11**	**18,629.62**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 16,527.55 Millions (As at March 31, 2021 ₹ 14,305.09 Millions)

(₹ in Millions)

Reconciliation of Exposure at Default	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening EAD March 31, 2020	**119,052.44**	**13,453.87**	**7,034.84**	**392.40**	**2,052.28**	**290.43**	**128,139.56**	**14,136.70**
New Loans Disbursed during the year	50,371.84	7,855.07	457.91	7.13	42.94	-	**50,872.69**	**7,862.20**
Loan Derecognised	(14,402.98)	(191.35)	(268.38)	(23.14)	(530.84)	(41.45)	**(15,202.20)**	**(255.94)**
Movement in Stages								
From Stage 1	(6,474.07)	(456.91)	5,837.79	397.10	636.28	59.82	-	-
From Stage 2	3,198.41	140.21	(3,991.10)	(192.55)	792.69	52.33	-	-
From Stage 3	134.03	9.39	155.07	10.87	(289.10)	(20.26)	-	-
Loans Repaid in part or full	(15,259.79)	(5,828.71)	(221.06)	126.31	(9.35)	261.76	**(15,490.20)**	**(5,440.64)**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	(73.80)	-	0.04	-	0.57	**-**	**(73.19)**
Closing EAD March 31, 2021	**136,619.88**	**14,907.77**	**9,005.07**	**718.16**	**2,694.90**	**603.20**	**148,319.85**	**16,229.13**

*Includes amount w.r.t. sanctioned but un-disbursed considered for ECL of ₹ 14,305.09 Millions (As at March 31, 2020 ₹ 12,514.44 Millions)

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Loss Allowances

(₹ in Millions)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2021	**2,019.50**	**107.60**	**813.83**	**51.11**	**994.05**	**608.59**	**3,827.38**	**767.30**
New Loans Disbursed during the year	660.01	50.51	46.77	2.81	37.16	6.51	**743.94**	**59.83**
Loan Derecognised	(252.42)	(7.91)	(56.74)	(3.29)	(375.06)	(211.82)	**(684.22)**	**(223.02)**
Movement in Stages	-	-	-	-	-	-		
From Stage 1	(258.40)	(4.23)	206.08	3.46	52.32	0.77	-	-
From Stage 2	174.74	7.74	(231.34)	(12.56)	56.60	4.82	-	-
From Stage 3	112.93	51.18	18.35	4.89	(131.29)	(56.07)	-	-
Loans Repaid in part or full	(132.96)	(109.65)	525.67	26.75	555.67	377.15	**948.38**	**294.25**
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2022	**2,323.40**	**95.24**	**1,322.62**	**73.17**	**1,189.45**	**729.95**	**4,835.47**	**898.36**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 76.74 Millions (As at March 31, 2021 ₹ 87.28 Millions).

(₹ in Millions)

Reconciliation of Loss Allowances	Financial Assets where loss allowance measured at 12-month ECL		Financial assets for which credit risk has increased significantly and credit not impaired		Financial assets for which credit risk has increased significantly and credit impaired		Total	
	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others	Principal Outstanding	Interest Accrued /Others*
Opening ECL March 31, 2020	**778.97**	**43.54**	**443.70**	**23.70**	**482.61**	**290.58**	**1,705.28**	**357.82**
New Loans Disbursed during the year	440.23	53.19	31.73	1.30	15.11	2.27	487.07	56.76
Loan Derecognised	(54.55)	(3.19)	(10.59)	(1.13)	(162.10)	(38.91)	(227.24)	(43.23)
Movement in Stages								
From Stage 1	(64.79)	(2.11)	60.83	1.90	3.95	0.21	-	-
From Stage 2	174.87	1.88	(276.98)	(13.11)	102.11	11.23	-	-
From Stage 3	34.70	9.39	39.46	10.88	(74.16)	(20.26)	-	-
Loans Repaid in part or full	710.07	4.90	525.68	27.57	626.52	363.47	1,862.27	395.94
Changes in contractual cash flow due to modification not resulting in de-recognition	-	-	-	-	-	-	-	-
Closing ECL March 31, 2021	**2,019.50**	**107.60**	**813.83**	**51.11**	**994.05**	**608.59**	**3,827.38**	**767.30**

*Includes ECL w.r.t. sanctioned but un-disbursed of ₹ 87.28 Millions (As at March 31, 2020 ₹ 29.70 Millions).

39 A.1(III) Concentrations of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

62% of the Company's Loan outstanding is from Borrowers residing across 5 various states of India

39 A.1(IV) Contractual amount outstanding on financial assets that were written off during the reporting year

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Write off	548.39	412.47

39 A.1(V) Collateral held

The Company is in the business of extending secured loans backed by mortgage of property (residential or commercial). This also includes cross-collateralisation on other property(ies) of the borrower. The Company assessess and monitors value of the collaterals periodically on the basis of the internal policy. In case required, the Company also requests for additional collateral(s).

In normal course of business, the Company does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt.

39 A.1(VI) Modified financial assets

For financial assets, such as a loan to a customer, where the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Millions)

Particulars	FY 2021-22	FY 2020-21
Amortised Cost of Modified Assets at the time of modification	4,865.47	4,515.80
Modification (Gain)/Loss for the year	(2.59)	73.27

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of Modified financial assets	6,277.89	3,986.79

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification ''Resolution Framework for COVID-19-related Stress''.

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39 A.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. Further, The Company has defined Asset Liability Management (ALM) Framework with an organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

(i) Maturities of financial liabilities

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2022	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	50.58	-	-	-	50.58	-	-
Trade Payables	508.11	508.11	-	-	-	-	-
Finance Lease Obligation*	241.37	11.25	10.92	21.20	76.71	60.87	60.42
Debt Securities	22,179.85	1,952.24	886.86	107.83	3,465.66	2,124.98	13,642.28
Borrowings (Other than Debt Securities)	109,449.35	5,644.01	6,805.72	13,086.27	39,529.95	20,702.55	23,680.85
Subordinated Liabilities	10,576.86	31.09	97.15	0.82	650.00	-	9,797.80
Other financial liabilities	9,444.46	9,444.46	-	-	-	-	-

(₹ in Millions)

Contractual maturities of financial liabilities As at March 31, 2021	Total	Upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years
Derivative financial instruments	292.08	-	-	-	292.08	-	-
Trade Payables	351.58	351.58	-	-	-	-	-
Finance Lease Obligation*	191.58	9.69	9.57	17.50	63.51	46.37	44.94
Debt Securities	21,027.50	4,523.06	5,024.82	2,318.21	1,648.81	1,156.61	6,355.99
Borrowings (Other than Debt Securities)	104,708.22	8,964.13	8,187.95	11,795.14	39,222.78	15,634.40	20,903.82
Subordinated Liabilities	4,366.73	31.09	367.15	200.65	650.00	-	3,117.84
Other financial liabilities	5,853.89	5,853.89	-	-	-	-	-

*Contractual maturities of financial lease obligation are on undiscounted basis.

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39 A.3 Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Company's exposure to market risk is primarily on account of interest rate risk, foreign exchange risk and price risk.

39 A.3(I) Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entitys financial condition. The rise or fall in interest rates impact the Company's Net Interest Income.

Total Borrowings of the Company are as follows:

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate borrowings	82,103.00	80,265.07
Fixed rate borrowings	60,103.06	49,837.38
Total borrowings	**142,206.06**	**130,102.45**

As at the end of the reporting year, the Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans and bank overdrafts and Securitisation Liability	8.19%	81,812.26	57.53%	8.54%	77,252.26	59.38%
Non Convertible Debentures	7.37%	290.74	0.20%	9.15%	3,012.81	2.32%
Net exposure to cash flow interest rate risk		**82,103.00**	**57.75%**		**80,265.07**	**61.69%**

An analysis by maturities is provided in note 39 A 2(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

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(₹ in Millions)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps	9.36%	3,876.44	2.73%	9.36%	3,675.23	2.82%

The Company had following floating rate loans and advances outstanding: **(₹ in Millions)**

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Loans and advances*	11.44%	158,629.60	100.00%	11.66%	150,243.89	100.00%

*Since certain loans disbursed by Company carry a fix rate of interest only for an initial short tenure of the loan, all loans granted are considered to be floating rate loans

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Interest rates – increase by 30 basis points (30 bps) *	(184.32)	(180.19)	-	-
Interest rates – decrease by 30 basis points (30 bps) *	184.32	180.19	-	-

* Holding all other variables constant

Profit or loss is sensitive to higher/lower interest income from loans and advances as a result of changes in interest rates.

(₹ in Millions)

Particulars	Impact on profit after tax	
	FY 2021-22	FY 2020-21
Interest rates – increase by 30 basis points (30 bps) *	356.12	337.29
Interest rates – decrease by 30 basis points (30 bps) *	(356.12)	(337.29)

* Holding all other variables constant

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39 A.3(II) Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Company's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Company's operating units

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

(in Millions)

Particulars	Amount Outstanding	
	In INR	In USD
Borrowing as on March 31, 2022	3,876.44	50.00
Borrowing as on March 31, 2021	3,675.23	50.00

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency risk on this borrowing.

39 A.3(III) Price Risk

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee.

The Company's exposure to assets having price risk is insignificant.

39 A.3(IV) Competitions Risk

Company offers a range of mortgage products such as home loan, loans against property and construction of real estate. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other HFCs. The major competitive factors among the peer group are an extensive branch network, greater funding capabilities, wider range of products and services, and advanced technology offerings.

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39.B Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a capital adequacy ratio as prescribed by the NHB Directions/ RBI Directions.

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debt (₹ in Millions)	142,206.07	130,102.45
Total Equity (₹ in Millions)	26,807.04	21,457.09
Net Debt to Equity Ratio (times)	5.30	6.06

39.B.1 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

The following table shows an analysis of financial instruments:

(₹ in Millions)

Particulars	As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	13,987.31
Bank Balance other than cash and cash equivalents	-	-	4,332.94
Receivables			
(i) Trade Receivables	-	-	344.10
Loans	-	28,854.00	124,048.21
Investments	1,440.00	-	95.91
Other Financial assets	-	-	3,570.97
Total financial assets	**1,440.00**	**28,854.00**	**146,379.44**
Financial liabilities			
Derivative financial instruments	-	50.58	-
Trade Payables	-	-	508.11
Finance Lease Obligation	-	-	173.82
Debt Securities	-	-	22,179.86
Borrowings (Other than Debt Securities)	-	-	109,449.34
Subordinated Liabilities	-	-	10,576.86
Other financial liabilities	-	-	9,444.46
Total financial liabilities	-	**50.58**	**152,332.45**

(₹ in Millions)

Particulars	As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	4,123.27
Bank Balance other than cash and cash equivalents	-	-	4,437.40
Receivables			
(i) Trade Receivables	-	-	306.35
Loans	-	23,266.92	122,382.31
Investments	-	-	125.97
Other Financial assets	-	-	2,339.72
Total financial assets	-	**23,266.92**	**133,715.02**
Financial liabilities			
Derivative financial instruments	-	292.08	-
Trade Payables	-	-	351.58
Finance Lease Obligation	-	-	149.03
Debt Securities	-	-	21,027.50
Borrowings (Other than Debt Securities)	-	-	104,708.22
Subordinated Liabilities	-	-	4,366.73
Other financial liabilities	-	-	5,853.89
Total financial liabilities	-	**292.08**	**136,456.95**

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

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

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

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
Loans at FVTOCI	-	-	28,854.00	28,854.00
Investments				
(i) Alternate Investment Fund	-	1,440.00	-	1,440.00
Total financial assets	-	**1,440.00**	**28,854.00**	**30,294.00**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	50.58	-	50.58
Total financial liabilities	-	**50.58**	-	**50.58**

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial assets				
Loans at FVTOCI	-	-	23,266.92	23,266.92
Investments				
(i) Alternate Investment Fund	-	-	-	-
Total financial assets	-	-	**23,266.92**	**23,266.92**
Financial liabilities				
Foreign exchange forward contracts and Cross Currency Interest Rate Swaps	-	292.08	-	292.08
Total financial liabilities	-	**292.08**	-	**292.08**

Valuation technique used to determine fair value

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

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Fair value	Carrying value	Fair value hierarchy
As at March 31, 2022			
Financial Liabilities			
Debt Securities	21,401.78	22,179.86	Level 3
Subordinated Liabilities	10,466.09	10,576.86	Level 3
Total financial liabilities	**31,867.87**	**32,756.72**	

(₹ in Millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Fair value	Carrying value	Fair value hierarchy
As at March 31, 2021			
Financial Liabilities			
Debt Securities	19,517.03	21,027.50	Level 3
Subordinated Liabilities	4,035.09	4,366.73	Level 3
Total financial liabilities	**23,552.12**	**25,394.23**	

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

(i) Loans: The cash flows at the fixed rate were discounted to present value at the applicable internal benchmark rates . This value, as estimated, was discounted to present value at the applicable rates to determine their fair value.

(ii) Equity instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3.

(iii) Debt Securities and Subordinated Liabilities: The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

(iv) Financial assets and liabilities: For financial assets and financial liabilities that have a short-term nature and long term financial assets and laibilities having floating rate structure , carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans, investment in debt securities, trade payables, lease liabilities, borrowings (other than debt securities), other financial assets & liabilities.

39.B.3 Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value.

(₹ in Millions)

Particulars	Loans - FVTOCI	
	As at March 31, 2022	As at March 31, 2021
Opening Balance	23,266.92	29,862.56
Sold during the year	(24,710.22)	(14,887.13)
Re-classified to amortised cost	(8,210.67)	-
Issuances	38,507.98	8,291.49
Closing Balance	**28,854.00**	**23,266.92**

40.1 Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/(loss) on derecognition:

(₹ in Millions)

Loans and advances	FY 2021-22	FY 2020-21
Carrying amount of derecognised financial assets	24,710.22	14,887.13
Gain from derecognition for the year	1,045.58	770.76

The table below summarises the carrying amount of the continuing involvment in derecognised financial assets (₹ in Millions)

Loans and advances	As at March 31, 2022	As at March 31, 2021
Carrying amount of continuing involvement in derecognised financial assets	8,383.87	8,039.49

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40.2 Transferred financial assets that are not derecognised in their entirety:

The Company uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Millions)

Securitisations	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	4,169.52	5,374.26
Carrying amount of associated liabilities	4,172.92	5,453.04
Fair value of assets	4,169.52	5,374.26
Fair value of associated liabilities	4,172.92	5,453.04

40.3 Re-classification of financial assets to amortised cost category

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of financial assets re-classified as amortised cost	7,935.67	-
Fair value of gain/loss would have been recognised in profit or loss or other comprehensive income	(6.40)	-

40.4 Re-classification of financial assets from Fair Value Through Other Comprehensive Income to Amortised Cost

Particulars	As at March 31, 2022	As at March 31, 2021
Date of reclassification	July 2021 to March 2022	-
Reclassification amount (₹ in Millions)	8,210.67	-

Note: The Company has reclassified the above assets due to change in business model in respect of the specified assets. These assets are now intended to be held to collect the contractual cashflow.

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41. Related Party Disclosures as per Ind AS – 24 "Related Party Disclosure" for the year ended March 31, 2022

Nature of relationship	Name of Party
Holding company	IIFL Finance Limited
Subsidiary company	IIHFL Sales Limited
Fellow Subsidiary & Associate	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)
Other Related Parties (Due to common Promoter)	IIFL Facilities Services Limited
	IIFL Securities Limited
	IIFL Wealth Management Limited
	IIFL Wealth Finance Limited
	IIFL Management Services Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	IIFL Commodities Limited
	IIFL Wealth Distribution Services Limited
	5Paisa Capital Limited
	India Infoline Foundation
Key Management Personnel and other Directors	Mr. Nirmal Jain - Non-Executive Director
	Mr. R Venkataraman - Non-Executive Director
	Mr. S. Sridhar - Chairman and Independent Director
	Mr. AK Purwar - Independent Director
	Mr. Kranti Sinha - Independent Director
	Ms. Suvalaxmi Chakraborty - Independent Director (ceased w.e.f. June 15, 2021)
	Ms. Mohua Mukherjee- Independent Director (w.e.f. August 26, 2021)
List includes related parties with whom transactions were carried out during current or previous year.	

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41.A Significant transactions with related parties:

(₹ in Millions)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Interest Income						
IIFL Finance Limited	-	-	-	-	-	-
	(333.59)	(-)	(-)	(-)	(-)	(333.59)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(46.61)	(-)	(46.61)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(28.17)	(-)	(28.17)
IIHFL Sales Limited	-	0.13	-	-	-	0.13
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(19.56)	(-)	(-)	(19.56)
Interest Expense						
IIFL Finance Limited	201.61	-	-	-	-	201.61
	(28.38)	(-)	(-)	(-)	(-)	(28.38)
IIFL Securities Limited	-	-	-	3.31	-	3.31
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.70	-	0.70
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	1.60	-	1.60
	(-)	(-)	(-)	(-)	(-)	(-)
Service Fees Income for Mortgage Portfolio						
IIFL Finance Limited	15.59	-	-	-	-	15.59
	(6.47)	(-)	(-)	(-)	(-)	(6.47)
Corporate Social Responsibility Expense (CS						
India Infoline Foundation	-	-	-	70.70	-	70.70
	(-)	(-)	(-)	(71.50)	(-)	(71.50)
Arranger fees Expense						
IIFL Finance Limited	0.43	-	-	-	-	0.43
	(1.27)	(-)	(-)	(-)	(-)	(1.27)
IIFL Securities Limited	-	-	-	6.40	-	6.40
	(-)	(-)	(-)	(4.08)	(-)	(4.08)
IIFL Wealth Distribution Services Limited	-	-	-	1.60	-	1.60
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	10.30	-	-	-	10.30
	(-)	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Commission/ Brokerage Expense						
IIFL Securities Limited	-	-	-	232.52	-	232.52
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
Remuneration and Compensation to KMP						
Mr. Monu Ratra - Short Term Benefit	-	-	-	-	49.33	49.33
	(-)	(-)	(-)	(-)	(38.61)	(38.61)
Mr. Monu Ratra - Post Employment Benefit	-	-	-	-	0.16	0.16
	(-)	(-)	(-)	(-)	(0.32)	(0.32)
Sitting Fees paid to Directors						
Mr. Kranti Sinha	-	-	-	-	0.68	0.68
	(-)	(-)	(-)	(-)	(0.57)	(0.57)
Mr. S. Sridhar	-	-	-	-	0.77	0.77
	(-)	(-)	(-)	(-)	(0.69)	(0.69)
Ms. Suvalaxmi Chakraborty	-	-	-	-	0.15	0.15
	(-)	(-)	(-)	(-)	(0.48)	(0.48)
Mr. AK Purwar	-	-	-	-	0.31	0.31
	(-)	(-)	(-)	(-)	(0.33)	(0.33)
Ms. Mohua Mukherjee	-	-	-	-	0.19	0.19
	(-)	(-)	(-)	(-)	(-)	(-)
Commission to Directors						
Mr. Kranti Sinha	-	-	-	-	1.00	1.00
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Mr. S. Sridhar	-	-	-	-	1.20	1.20
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Ms. Mohua Mukherjee	-	-	-	-	0.60	0.60
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Suvalaxmi Chakraborty	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Interim Dividend Payment						
IIFL Finance Limited	629.05	-	-	-	-	629.05
	(524.20)	(-)	(-)	(-)	(-)	(524.20)
Interim Dividend Received						
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(40.10)	(-)	(-)	(40.10)
ICD Taken						
IIFL Finance Limited	32,844.00	-	-	-	-	32,844.00
	(11,950.00)	(-)	(-)	(-)	(-)	(11,950.00)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(3,570.00)	(-)	(3,570.00)
IIFL Facilities Services Limited	-	-	-	450.00	-	450.00
	(-)	(-)	(-)	(20.00)	(-)	(20.00)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
ICD Returned						
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(3,570.00)	(-)	(3,570.00)
IIFL Finance Limited	32,844.00	-	-	-	-	32,844.00
	(11,950.00)	(-)	(-)	(-)	(-)	(11,950.00)
IIFL Facilities Services Limited	-	-	-	450.00	-	450.00
	(-)	(-)	(-)	(20.00)	(-)	(20.00)
ICD/Loan Given						
IIFL Finance Limited	4,210.00	-	-	-	-	4,210.00
	(82,387.10)	(-)	(-)	(-)	(-)	(82,387.10)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(7,073.50)	(-)	(7,073.50)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(327.50)	(-)	(327.50)
IIHFL Sales Limited	-	19.84	-	-	-	19.84
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(1,000.00)	(-)	(-)	(1,000.00)
ICD/Loan received back						
IIFL Finance Limited	4,210.00	-	-	-	-	4,210.00
	(82,387.10)	(-)	(-)	(-)	(-)	(82,387.10)
IIFL Facilities Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(8,039.50)	(-)	(8,039.50)
IIFL Management Services Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(569.10)	(-)	(569.10)
IIFL Securities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(327.50)	(-)	(327.50)
IIHFL Sales Limited	-	19.84	-	-	-	19.84
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Samasta Finance Limited	-	-	-	-	-	-
	(-)	(-)	(1,000.00)	(-)	(-)	(1,000.00)
Purchase of Investment						
IIFL Finance Limited	1,440.00	-	-	-	-	1,440.00
	(1,321.23)	(-)	(-)	(-)	(-)	(1,321.23)
Equity Shares Allotment						
IIFL Samasta Finance Limited	-	-	750.00	-	-	750.00
	(-)	(-)	(225.00)	(-)	(-)	(225.00)
IIHFL Sales Limited	-	0.50	-	-	-	0.50
	(-)	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Allocation of expenses paid						
IIFL Securities Limited	-	-	-	44.64	-	44.64
	(-)	(-)	(-)	(45.13)	(-)	(45.13)
IIFL Management Services Limited	-	-	-	0.85	-	0.85
	(-)	(-)	(-)	(1.27)	(-)	(1.27)
IIFL Finance Limited	47.59	-	-	-	-	47.59
	(30.15)	(-)	(-)	(-)	(-)	(30.15)
IIFL Facilities Services Limited	-	-	-	7.37	-	7.37
	(-)	(-)	(-)	(5.63)	(-)	(5.63)
Reimbursement paid						
IIFL Securities Limited	-	-	-	3.17	-	3.17
	(-)	(-)	(-)	(1.91)	(-)	(1.91)
IIFL Facilities Services Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(0.00)	(-)	(0.00)
IIFL Finance Limited	5.82	-	-	-	-	5.82
	(9.94)	(-)	(-)	(-)	(-)	(9.94)
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
Livlong Insurance Brokers Limited	-	-	-	0.09	-	0.09
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
5Paisa Capital Limited	-	-	-	0.87	-	0.87
	(-)	(-)	(-)	(0.11)	(-)	(0.11)
IIFL Wealth Management Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	0.06	-	-	-	0.06
	(-)	(-)	(-)	(-)	(-)	(-)
ESOP						
IIFL Securities Limited	-	-	-	0.02	-	0.02
	(-)	(-)	(-)	(0.20)	(-)	(0.20)
IIFL Wealth Management Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.06)	(-)	(0.06)
IIFL Finance Limited	11.34	-	-	-	-	11.34
	(22.41)	(-)	(-)	(-)	(-)	(22.41)

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IIFL Home Finance Limited

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Allocation of expenses received						
IIFL Management Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.02)	(-)	(0.02)
IIFL Securities Limited	-	-	-	3.99	-	3.99
	(-)	(-)	(-)	(5.29)	(-)	(5.29)
5Paisa Capital Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.14)	(-)	(0.14)
IIFL Finance Limited	9.10	-	-	-	-	9.10
	(5.55)	(-)	(-)	(-)	(-)	(5.55)
IIHFL Sales Limited	-	1.12	-	-	-	1.12
	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement received						
IIFL Securities Limited	-	-	-	2.82	-	2.82
	(-)	(-)	(-)	(1.81)	(-)	(1.81)
IIFL Finance Limited	2.62	-	-	-	-	2.62
	(13.12)	(-)	(-)	(-)	(-)	(13.12)
IIFL Management Services Limited	-	-	-	0.04	-	0.04
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	(-)	(-)	(-)	(0.05)	(-)	(0.05)
5Paisa Capital Limited	-	-	-	0.33	-	0.33
	(-)	(-)	(-)	(0.06)	(-)	(0.06)
Livlong Insurance Brokers Limited	-	-	-	0.20	-	0.20
	(-)	(-)	(-)	(0.07)	(-)	(0.07)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.08	-	0.08
	(-)	(-)	(-)	(-)	(-)	(-)
IIHFL Sales Limited	-	0.82	-	-	-	0.82
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Commodities Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.63)	(-)	(0.63)
Sale of Fixed Assest						
IIHFL Sales Limited	-	0.19	-	-	-	0
	(-)	(-)	(-)	(-)	(-)	(-)

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IIFL Home Finance Limited

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payment of Assignment Transactions						
IIFL Finance Limited	901.44	-	-	-	-	901.44
	(902.18)	(-)	(-)	(-)	(-)	(902.18)
Debentures Boughtback						
IIFL Finance Limited	-	-	-	-	-	-
	(500.00)	(-)	(-)	(-)	(-)	(500.00)
IIFL Wealth Finance Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(224.97)	(-)	(224.97)

41 B. Closing balance:

(₹ in Millions)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Payable to Group/Holding Company						
IIFL Facilities Services Limited	-	-	-	0.73	-	0.73
	(-)	(-)	(-)	(0.08)	(-)	(0.08)
IIFL Securities Limited	-	-	-	0.01	-	0.01
	(-)	(-)	(-)	(1.78)	(-)	(1.78)
IIFL Finance Limited	1.32	-	-	-	-	1.32
	(7.93)	(-)	(-)	(-)	(-)	(7.93)
5paisa Capital Limited	-	-	-	0.06	-	0.06
	(-)	(-)	(-)	(0.09)	(-)	(0.09)
IIFL Wealth Management Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.01)	(-)	(0.01)
IIHFL Sales Limited	-	4.40	-	-	-	4.40
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Wealth Distribution Services Limited	-	-	-	1.81	-	1.81
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(0.06)	(-)	(0.06)
Receivable from Group/Holding Company						
IIFL Management Services Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Insurance Brokers Limited	-	-	-	0.18	-	0.18
	(-)	(-)	(-)	(-)	(-)	(-)
Livlong Protection & Wellness Solutions Limited	-	-	-	0.09	-	0.09
	(-)	(-)	(-)	(-)	(-)	(-)
India Infoline Foundation	-	-	-	30.30	-	30.30
	(-)	(-)	(-)	(-)	(-)	(-)
Debt Securities Outstanding						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(218.00)	(-)	(218.00)
IIFL Securities Limited	-	-	-	80.00	-	80.00
	(-)	(-)	(-)	(-)	(-)	(-)
IIFL Management Services Limited	-	-	-	40.00	-	40.00
	(-)	(-)	(-)	(-)	(-)	(-)

Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries & Associate	Other related parties	Key Managerial Personnel	Total
Provision for Post Employment Benefits						
Mr. Monu Ratra	-	-	-	-	2.53	2.53
	(-)	(-)	(-)	(-)	(2.31)	(2.31)
Commission Payable						
Mr. Kranti Sinha	-	-	-	-	1.00	1.00
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Mr. S. Sridhar	-	-	-	-	1.20	1.20
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Ms. Suvalaxmi Chakraborty	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1.00)	(1.00)
Ms. Mohua Mukherjee	-	-	-	-	0.60	0.60
	(-)	(-)	(-)	(-)	(-)	(-)
Corporate Guarantee						
IIFL Finance Limited	8,454.96	-	-	-	-	8,454.96
	(12,255.43)	(-)	(-)	(-)	(-)	(12,255.43)

Figures in brackets represents previous year's figures.

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

(₹ in Millions)

Name of Related Party	Outstanding as on 31-Mar-22	Maximum Outstanding during the year
IIHFL Sales Limited	-	12.90
IIFL Finance Limited	-	-

Note: Amount given as ICDs to IIFL Finance Limited is in the nature of intraday transaction hence maximum

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2022 **(₹ in Millions)**

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	13,987.31	-	**13,987.31**
(b)	Bank balance other than (a) above	2,842.37	1,490.57	**4,332.94**
(c)	Receivables			
	(I) Trade receivables	344.10	-	**344.10**
(d)	Loans	35,211.36	117,690.85	**152,902.21**
(e)	Investments	3.35	3,829.28	**3,832.63**
(f)	Other financial assets	22.97	3,548.00	**3,570.97**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	55.06	**55.06**
(b)	Deferred tax assets (net)	-	640.91	**640.91**
(c)	Investment Property	-	66.30	**66.30**
(d)	Property, plant and equipment	-	65.51	**65.51**
(e)	Right of use assets	-	154.52	**154.52**
(f)	Other intangible assets	-	1.82	**1.82**
(g)	Other non-financial assets	47.09	0.65	**47.74**
(h)	Assets held for sale	96.99	-	**96.99**
	Total Assets	**52,555.54**	**127,543.47**	**180,099.01**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	50.58	**50.58**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	508.11	-	**508.11**
(c)	Finance Lease Obligation	30.46	143.36	**173.82**
(d)	Debt securities	2,946.93	19,232.93	**22,179.86**
(e)	Borrowings (other than debt securities)	25,536.01	83,913.33	**109,449.34**
(f)	Subordinated liabilities	129.06	10,447.80	**10,576.86**
(g)	Other financial liabilities	9,444.46	-	**9,444.46**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	260.35	-	**260.35**
(b)	Provisions	94.04	46.46	**140.50**
(c)	Other non-financial liabilities	508.09	-	**508.09**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	26,597.36	**26,597.36**
	Total liabilities and equity	**39,457.51**	**140,641.50**	**180,099.01**

Note 42. Current and non Current classification - Statement of Assets and liabilities as at March 31, 2021 (₹ in Millions)

Sr. no.	Particulars	Current	Non Current	Total
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	4,123.27	-	**4,123.27**
(b)	Bank balance other than (a) above	4,014.86	422.54	**4,437.40**
(c)	Receivables			
	(I) Trade receivables	306.35	-	**306.35**
(d)	Loans	30,849.89	114,799.34	**145,649.23**
(e)	Investments	4.23	1,667.97	**1,672.20**
(f)	Other financial assets	45.02	2,294.70	**2,339.72**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	-	143.57	**143.57**
(b)	Deferred tax assets (net)	-	701.71	**701.71**
(c)	Investment Property	-	70.05	**70.05**
(d)	Property, plant and equipment	-	24.84	**24.84**
(e)	Right of use assets	-	135.76	**135.76**
(f)	Other intangible assets	-	1.26	**1.26**
(g)	Other non-financial assets	30.61	2.67	**33.28**
(h)	Assets held for sale	139.46	-	**139.46**
	Total Assets	**39,513.69**	**120,264.41**	**159,778.10**
	LIABILITIES AND EQUITY			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	292.08	**292.08**
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	351.58	-	**351.58**
(c)	Finance Lease Obligation	25.40	123.63	**149.03**
(d)	Debt securities	11,866.10	9,161.40	**21,027.50**
(e)	Borrowings (other than debt securities)	28,947.22	75,761.00	**104,708.22**
(f)	Subordinated liabilities	598.89	3,767.84	**4,366.73**
(g)	Other financial liabilities	5,853.89	(0.00)	**5,853.89**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)	312.59	-	**312.59**
(b)	Provisions	85.80	39.98	**125.78**
(c)	Other non-financial liabilities	1,133.61	-	**1,133.61**
3	**Equity**			
(a)	Equity share capital	-	209.68	**209.68**
(b)	Other equity	-	21,247.41	**21,247.41**
	Total liabilities and equity	**49,175.08**	**110,603.02**	**159,778.10**

43. RBI Disclosures

43 A. Disclosure made vide Notification "RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21" dated August 06, 2020 on Resolution Framework for COVID-19-related Stress (Resolution Framework 1.0).

(₹ in Millions)

Type of Borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at September 2021	(B) of (A), aggregate debt that slipped into NPA during the half year	(C) Of (A), amount written off during the half year	(D) Of (A), amount paid by the borrower during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan as at March 2022
Personal Loans	1,200.27	147.28	5.92	42.83	1,004.23
Corporate persons	159.62	-	-	35.25	124.37
of which MSMEs	-	-	-	-	-
Others	337.62	28.86	0.97	0.40	307.39
Total	**1,697.51**	**176.14**	**6.89**	**78.48**	**1,435.99**

43 B. Disclosure made vide Notification No - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on "Implementation of Indian Accounting Standards"

(₹ in Millions)

Asset Classification as per RBI Notes	Asset Classification as per Ind AS 109	Gross carrying Amount Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	144,943.16	2,320.38	142,622.78	1,117.76	1,202.62
	Stage 2	8,211.16	1,106.42	7,104.74	144.50	961.92
Subtotal		**153,154.32**	**3,426.80**	**149,727.52**	**1,262.26**	**2,164.54**
Non-Performing Asset						
Substandard	Stage 1**	205.89	39.94	165.95	30.46	9.48
	Stage 2**	1,419.67	284.34	1,135.33	204.22	80.12
	Stage 3	1,934.73	845.59	1,089.14	265.65	579.94
Subtotal for Substandard		**3,560.29**	**1,169.87**	**2,390.42**	**500.33**	**669.54**
Doubtful upto 1 year	Stage 3	1,025.64	505.89	519.75	227.01	278.88
1 to 3 years	Stage 3	820.29	468.71	351.58	236.97	231.74
More than 3 years	Stage 3	228.90	142.23	86.67	138.53	3.70
Subtotal for doubtful		**2,074.83**	**1,116.83**	**958.00**	**602.51**	**514.32**
Loss	Stage3	-	-	-	-	-
Subtotal for NPA*		**5,635.12**	**2,286.70**	**3,348.42**	**1,102.84**	**1,183.86**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norm	Stage 1	16,211.58	71.73	16,139.84	-	71.73
	Stage 2	315.96	5.00	310.96	-	5.00
	Stage 3	-	-	-	-	-
Subtotal for Other Items		**16,527.54**	**76.73**	**16,450.81**	**-**	**76.73**
Total	**Stage 1**	**161,360.64**	**2,432.05**	**158,762.63**	**1,117.76**	**1,274.35**
	Stage 2	**9,946.79**	**1,395.76**	**7,415.70**	**144.50**	**966.92**
	Stage 3	**4,009.56**	**1,962.42**	**3,348.42**	**1,102.84**	**1,183.86**
	Total	**175,316.99**	**5,790.23**	**169,526.75**	**2,365.10**	**3,425.13**

*Includes Assets held for sale aggregating to ₹ 96.99 Millions (Net of ECL Provision) for which disposal is under process as per SARFAESI Act.(Refer Note No. 14).

In terms of the requirement as per RBI notifications no.RBI/2019-20/170DOR(NBFC).CC.PDNo.109/22.10.106/2019-20 dated March 13,2020 on implementation of Indian Accounting Standards,Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at March 31,2022 and accordingly, no amount is required to be transferred to impairment reserve.

**Refer Note 7.2 for Circular issued by Reserve Bank of India, no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

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43 C. Annex III Schedule to the Balance Sheet

(₹ in Millions)

			Particulars	As at March 31, 2022		As at March 31, 2021	
				Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
			Liabilities side				
1			**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)		Debentures : Secured	21,440.44	-	21,027.50	-
			: Unsecured	10,576.86	-	4,366.73	-
			(other than falling within the meaning of public deposits)				
	(b)		Deferred Credits	-	-	-	-
	(c)		Term Loans	105,156.42	-	98,315.18	-
	(d)		Inter-corporate loans and borrowing	-	-	-	-
	(e)		Commercial Paper	739.42	-	-	-
	(f)		Public Deposits	-	-	-	-
	(g)		Other Loans	-	-	-	-
			Securitisation Liability	4,172.92	-	5,453.04	-
			Cash credit / Overdraft from Banks	120.00	-	940.00	-
2			**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)		In the form of Unsecured debentures	-	-	-	-
	(b)		In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c)		Other public deposits	-	-	-	-
			Assets side	**Amount outstanding**		**Amount outstanding**	
3			**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a)		Secured	158,729.42		150,448.72	
	(b)		Unsecured	60.83		25.08	
4			**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i)		Lease assets including lease rentals under sundry debtors				
		(a)	Financial lease	-		-	
		(b)	Operating lease	-		-	
	(ii)		Stock on hire including hire charges under sundry debtors				
		(a)	Assets on hire	-		-	
		(b)	Repossessed Assets	-		-	
	(iii)		Other loans counting towards asset financing activities				
		(a)	Loans where assets have been repossessed	-		-	
		(b)	Loans other than (a) above	-		-	

43 C. Annex III Schedule to the Balance Sheet

(₹ in Millions)

Particulars				As at March 31, 2022		As at March 31, 2021	
				Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
5	**Break-up of Investments**						
	Current Investments						
	1	Quoted					
		(i)	Shares				
			(a) Equity	-		-	
			(b) Preference	-		-	
		(ii)	Debentures and Bonds	-		-	
		(iii)	Units of mutual funds	-		-	
		(iv)	Government Securities	-		-	
		(v)	Others (please specify)	-		-	
	2	Unquoted					
		(i)	Shares	-		-	
			(a) Equity	-		-	
			(b) Preference	-		-	
		(ii)	Debentures and Bonds	-		-	
		(iii)	Units of mutual funds	-		-	
		(iv)	Government Securities	-		-	
		(v)	Others (please specify)	-		-	
	Long Term investments						
	1	Quoted					
		(i)	Share	-		-	
			(a) Equity	-		-	
			(b) Preference	-		-	
		(ii)	Debentures and Bonds	-		-	
		(iii)	Units of mutual funds	-		-	
		(iv)	Government Securities	-		-	
		(v)	Others (please specify)	-		-	
	2	Unquoted					
		(i)	Shares	-		-	
			(a) Equity	2,296.72		1,546.23	
			(b) Preference	-		-	
		(ii)	Debentures and Bonds	95.91		125.97	
		(iii)	Units of mutual funds	-		-	
		(iv)	Government Securities	-		-	
		(v)	Others (investment in units of AIFs)	1,440.00		-	

43 C. Annex III Schedule to the Balance Sheet

(₹ in Millions)

			Particulars	As at March 31, 2022			As at March 31, 2021		
				Amount outstanding		Amount overdue	Amount outstanding		Amount overdue
6	**Borrower group-wise classification of assets financed as in (3) and (4) above:**								
			Category	**Amount net of provisions**			**Amount net of provisions**		
				Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1		**Related Parties**						
		(a)	Subsidiaries	-	-	-	-	-	-
		(b)	Companies in the same group	-	-	-	-	-	-
		(c)	Other related parties	-	-	-	-	-	-
	2		Other than related parties	152,999.20	-	152,999.20	145,788.69	-	145,788.69
			Total	**152,999.20**	**-**	**152,999.20**	**145,788.69**	**-**	**145,788.69**
7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**								
			Category	**Market Value / Break up or fair value or NAV**		**Book Value (Net of Provisions)**	**Market Value / Break up or fair value or NAV**		**Book Value (Net of Provisions)**
	1		Related Parties						
		(a)	Subsidiaries	28.38		0.50	-		-
		(b)	Companies in the same group	2,498.21		2,296.22	1,623.77		1,546.23
		(c)	Other related parties	-		-	-		-
	2		Other than related parties	1,535.91		1,535.91	125.97		125.97
			Total	**4,062.50**		**3,832.63**	**1,749.74**		**1,672.20**
8	**Other information**								
			Particulars	**Amount**			**Amount**		
	(i)		Gross Non-Performing Assets						
		(a)	Related parties			-			-
		(b)	Other than related parties			5,635.13			3,527.79
	(ii)		Net Non-Performing Assets						
		(a)	Related parties			-			-
		(b)	Other than related parties			3,347.70			1,835.64
	(iii)		Assets acquired in satisfaction of debt (Note)			-			-

Note:

1. Assets classified as Assets held for sale are disclosed separately in the financial statement as per requirements of IND AS 105. For the purpose of reporting above, such assets aggregating to ₹ 122.55 Millions and ₹ 76.98 Millions have been presented as a part of Gross Non Performing Assets and Net Non-Performing Assets respectively (P.Y. 2020-21 ₹ 229.68 Millions and ₹ 139.46 Millions respectively).

2. The above figure includes cases classified as non-performing assets basis circular issued by Reserve Bank of India, no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

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43D. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

Liquidity Risk Management Framework

(₹ in Millions)

Sr. No.	Particulars	As at March 31, 2022		As at December 31, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**9,922.29**	**9,922.29**	**6,598.43**	**6,598.43**
	Cash and Bank Balance	1,655.62	1,655.62	2,478.15	2,478.15
	Fixed deposits (other than those invested for the purpose of Section 29B of NHB Act, 1987)	8,266.67	8,266.67	4,120.28	4,120.28
	Cash Outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	30.63	35.22	138.38	159.13
4	Secured wholesale funding	2,056.37	2,364.82	2,283.95	2,626.54
5	Additional requirements, of which				
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	360.91	415.05	276.02	317.43
7	Other contingent funding obligations	750.00	862.50	750.00	862.50
8	**Total Cash outflows**	**3,197.91**	**3,677.59**	**3,448.35**	**3,965.60**
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	2,034.89	1,526.17	1,977.00	1,482.75
11	Other cash inflows	2,551.61	1,913.71	4,263.61	3,197.71
12	**Total Cash Inflows**	**4,586.50**	**3,439.87**	**6,240.61**	**4,680.46**
			Total Adjusted Value		**Total Adjusted Value**
13	**Total HQLA**		**9,922.29**		**6,598.43**
14	**Total Net Cash Outflows**		**919.40**		**991.40**
15	**Liquidity Coverage Ratio(%)**		**1079%**		**666%**

Note: LCR computation is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

Qualitative Disclosure

Liquidity Coverage Ratio (LCR) aims to ensure that NBFC's maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The Company has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Company has been able to manage LCR quite higher than the minimum requirement of 50%.

HQLA comprises of unencumbered Bank Balances and Fixed Deposit, Cash in Hand, Liquid Investments after appropriate haircut. The Company maintains sufficient balance of Cash and Bank Balance and liquid Investments which can be easily liquidated in times of stress.

Liquidity Coverage Ratio results drive by inflow of next 30 days receivable on loans and advances and corresponding outflow over the next 30 days towards borrowings and other liabilities.

43E. Details of loans transferred / acquired during the year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

(₹ in Millions)

Sr. No.	Particulars	As at March 31, 2022
1	Count of Loan Assigned	17087
2	Amount of Loan transferred	27,455.80
3	Retention of benefitial Economic Interest(MRR)	10%
4	Wgt Average Maturity (Residual Maturity)	200.44 months
5	Wgt Average Holding Period	13.50 month
6	Coverage of Tangible security	100%
7	Rating wise distribution of rated loans	Unrated

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44. Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021: The following additional disclosures have been given in terms of the Notification RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended from time to time.

The below mentioned notes have been prepared as per Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 ("IND AS").

44.1. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Millions)

Year	No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
March 31, 2022	16	114,462.80	NA	74.67%
March 31, 2021	15	111,784.13	NA	80.81%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(ii) Top 20 large deposits (amount in Rs Millions and % of total deposits) – Not Applicable

(iii)Top 10 borrowings

(₹ in Millions)

Year	Amount	% of Total Borrowings
March 31, 2022	99,378.93	69.88%
March 31, 2021	100,863.54	77.53%

(iv) Funding Concentration based on significant instrument / product

(₹ in Millions)

Name of the Product	March 31, 2022		March 31, 2021	
	Amount (₹ in Millions)	% of Total Liabilities*	Amount (₹ in Millions)	% of Total Liabilities*
Non Convertible Debentures	32,017.30	20.89%	25,394.23	18.36%
Term Loans	105,156.42	68.60%	98,315.18	71.08%
Securitisation	4,172.92	2.72%	5,453.04	3.94%
Cash Credit / Overdraft Facilties	120.00	0.08%	940.00	0.68%
Commercial papers	739.42	0.48%	-	0.00%

*Note : Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity

(v) Stock Ratios

Stock Ratio	March 31, 2022	March 31, 2021
Commercial papers as a % of total public funds	0.52%	Nil
Commercial papers as a % of total liabilities	0.48%	Nil
Commercial papers as a % of total assets	0.41%	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil	Nil
Other short-term liabilities as a % of total public funds	27.75%	37.80%
Other short-term liabilities as a % of total liabilities	25.74%	35.55%
Other short-term liabilities as a % of total assets	21.91%	30.78%

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time.

The Company also manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of credit lines. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

44.2. Disclosure on Principal business criteria

Particulars	March 31, 2022	March 31, 2021
Total Housing Loans (%)	57.79%	61.18%
Individual Housing Loans (%)	54.84%	55.77%

*% of Total assets netted of intangibale assets.

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44.3. Other Disclosures as per the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

I. Capital

(₹ in Millions)

Particulars	March 31, 2022	March 31, 2021
(i) CRAR %	30.48	22.98
(ii) CRAR - Tier I Capital (%)	21.10	19.61
(iii) CRAR - Tier II Capital (%)	9.38	3.37
(iv) Amount of subordinated debt raised as Tier- II Capital	9,503.39	3,935.16
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

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

(₹ in Millions)

Particulars	March 31, 2022	March 31, 2021
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	2,624.58	1,844.41
b) Statutory Reserve U/s 29C of the NHB Act, 1987	249.12	224.29
c) Total	**2,873.70**	**2,068.70**
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	939.30	780.17
b) Amount transferred U/s 29C of the NHB Act, 1987	216.70	24.83
Less: a) Amount withdrawn from the Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision U/s 29C of the NHB Act, 1987	-	-
b) Amount appropriated from the Statutory Reserve U/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Amount of special reserve U/s 36(1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve U/s 29C of the NHB Act, 1987	3,563.88	2,624.58
b) Statutory Reserve U/s 29C of the NHB Act, 1987	465.82	249.12
c) Total	**4,029.70**	**2,873.70**

III) Investments (₹ in Millions)

Particulars	March 31, 2022	March 31, 2021
A) Value of Investments		
(i) Gross Value of Investments		
(a) In India*	3,907.47	1,747.04
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	8.54	4.79
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	3,898.93	1,742.25
(b) Outside India	-	-
B) Movement of provisions held towards depreciation on investments		
(i) Opening balance	4.79	83.43
(ii) Add: Provisions made during the year	3.75	4.79
(iii) Less: Write-off / Write back of excess provisions during the year	-	83.43
(iv) Closing balance	8.54	4.79

* Includes investment property of ₹ 74.84 Millions (as at March 31, 2021 ₹ 74.84 Millions)

IV) Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) (₹ in Millions)

Particulars	March 31, 2022	March 31, 2021
(i) The notional principal of swap agreements	3,630.75	3,630.75
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks.	
(v) The fair value of the swap book	50.58	292.08

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b. Exchange Traded Interest Rate (IR) Derivative

(₹ in Millions)

Particulars	March 31, 2022
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2022 (instrument wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

(₹ in Millions)

Particulars	March 31, 2021
(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 2021 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-

c. Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

To manage these risks, the Compnay has board approved policy framework for derivatives, consistent with its general corporate responsibility for corporate governance. The management of derivative activity would be further integrated into the company’s overall risk management system.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

Objectives of the policy
• Identify and manage the company’s debt and related interest rate risk
• Reduce overall interest cost of the company
• Management of foreign currency positions, derivative transactions and related risks
• To evaluate and measure these risks and their sensitivity to operations
• Establish processes for monitoring and control of the risks as per policy
• Effective MIS and regular reporting of positions and risks to the Risk Management Committee

B. Quantitative Disclosure

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2022	March 31, 2022
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	50.58	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

(₹ in Millions)

Particulars	Currency Derivatives	Interest Rate Derivatives
	March 31, 2021	March 31, 2021
(i) Derivatives (Notional Principal Amount) For hedging	3,630.75	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	292.08	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

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V) Details on Securitisation

a) Securitisation transactions under SPV Structure sponsored by HFC **(₹ in Millions)**

Particulars	March 31, 2022	March 31, 2021
1) No of SPVs sponsored by the HFC for securitisation transactions	9	9
2) Total amount of securitised assets as per books of the SPVs sponsored	4,169.52	5,374.26
3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
I) Off-balance sheet exposures towards Credit Enhancements	-	-
II) On-balance sheet exposures towards Credit Enhancements	1,482.72	1,437.69
4) Amount of exposures to securitisation transactions other than MRR		
I) Off-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations	-	-
b) Exposure to third party securitizations	-	-
II) On-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations	474.00	462.87
(b) Exposure to third party securitizations	-	-

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

(₹ in Millions)

Particulars	2021-22	2020-21
(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	2021-22	2020-21
(i) No. of accounts	17,087	10,967
(ii) Aggregate value (net of provisions) of accounts assigned	24,710.22	14,887.13
(iii) Aggregate consideration	24,710.22	14,887.13
(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	2021-22	2020-21
1) (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2) (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

Details of non-performing financial assets sold

(₹ in Millions)

Particulars	2021-22	2020-21
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

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Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

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

(₹ in Millions)

Particulars	1 day to 7 days (one month)	8 day to 15 days (one month)	15 day to 30/31 days (one month)	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Borrowings from Bank	23.63	24.05	304.18	1,165.55	4,101.97	6,925.46	13,300.22	36,535.23	21,055.20	22,108.15	**105,543.64**
	(709.87)	-	(526.75)	(4,716.98)	(2,748.85)	(8,119.68)	(11,655.58)	(34,941.73)	(14,992.51)	(17,075.94)	**(95,487.89)**
Market Borrowing	400.50	-	477.24	374.17	770.51	1,137.67	161.63	4,121.02	2,125.87	23,188.10	**32,756.71**
	(434.80)	(83.44)	(684.22)	(1,299.68)	(2,197.30)	(5,460.25)	(2,658.42)	(3,154.63)	(3,613.64)	(11,260.89)	**(30,847.27)**
Foreign Currency Liabilities	-	-	-	117.31	-	-	-	3,788.39	-	-	**3,905.70**
	-	-	-	(116.38)	-	-	-	(3,650.89)	-	-	**(3,767.27)**
Assets											
Advances	865.40	756.36	3,704.96	2,770.44	2,941.12	5,749.02	6,054.50	44,727.90	25,687.47	59,742.04	**152,999.21**
	(861.28)	(693.14)	(4,094.22)	(2,744.67)	(2,747.76)	(7,406.85)	(13,590.95)	(44,229.94)	(25,045.16)	(44,374.71)	**(145,788.68)**
Investments	0.54	0.48	0.91	1.74	1.85	3.61	3.84	1,468.09	16.91	2,334.66	**3,832.63**
	(0.17)	(0.17)	-	(0.34)	(0.34)	(1.04)	(2.16)	(9.59)	(10.83)	(1,647.55)	**(1,672.19)**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**

Computation of ALM is based on Management estimation of future inflows and outflows and not subjected to audit by auditors.

Figures in Brackets represents previous year's figures.

Maturity pattern of Advances disclosed above are based on behavioural maturity pattern.

VII) Exposure

a) Exposure to Real Estate Market **(₹ in Millions)**

Category	March 31, 2022	March 31, 2021
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;	148,124.03	138,854.54
(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;	10,666.23	11,619.26
(iii)Investments in Mortgage Backed Securities(MBS) and other securitized exposures-		
a. Residential	95.91	125.97
b. Commercial Real Estate	-	-
b)Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank(NHB)and Housing Finance Companies(HFCs)	-	-

Exposure includes amount outstanding including principal, and interest accrued.

b) Exposure to Capital Market

(₹ in Millions)

Category	March 31, 2022	March 31, 2021
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	1,440.00	-

Note: Investments are shown as net of provision for mark to market.

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

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

e) Unsecured Advances: The Company does not have any unsecured advances in the form of rights, licenses, authorisations, etc. that are charged as collateral for the purposes of financing. The Company does not have any unsecured advances other than those mentioned in Note 7.

f) Exposure to group companies engaged in real estate business

(₹ in Millions)

Description	March 31, 2022	March 31, 2021
i) Exposure to any single entity in a group engaged in real estate business	-	-
ii) Exposure to all entities in a group engaged in real estate business	-	-

44.4. Miscellaneous

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

II) Penalties imposed by NHB or any other regulators: No penalties were imposed during the year.

III) Related Party Transactions: Related party transaction details have been disclosed under Note 41.

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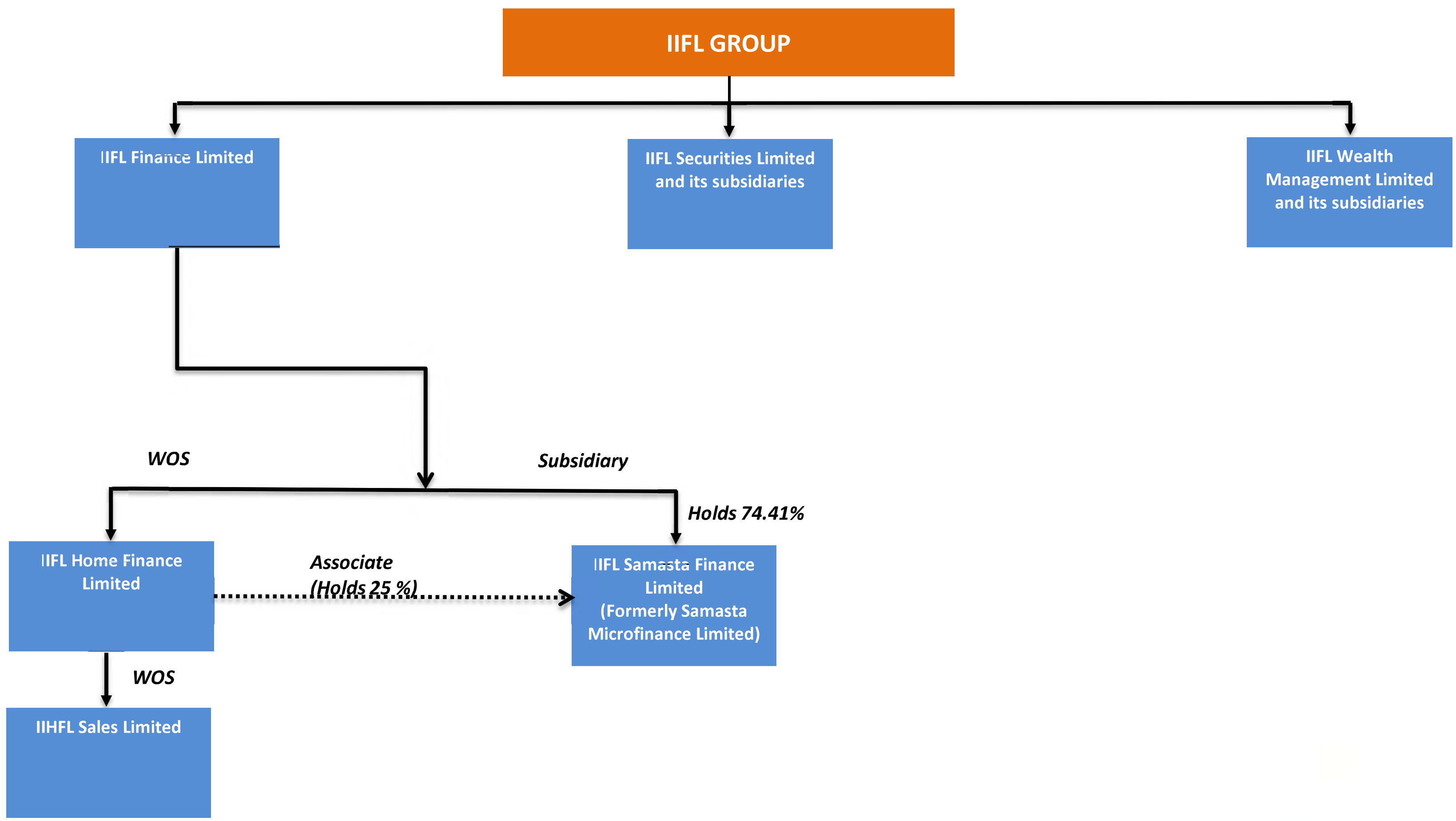
IIFL HOME FINANCE LIMITED
Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

IV) Group Structure as on March 31, 2022:



**Wholly Owned Subsidiary (WOS)*

V) Note on Rating assigned by Credit Rating Agencies and migration of rating during the year

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2022

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	60,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	3,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	2,000.00
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	71,520.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	28,550.00
Subordinated Debt programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	3,730.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA / Reaffirmed Stable	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Reaffirmed Stable	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Stable	220.00
Secured NCD	Brickwork Ratings	BWR AA+/Negative Reaffirmed	150.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	2,700.00
NCDs	Brickwork Ratings	BWR AA+/Negative Reaffirmed	50,000.00

b) Details of Migration of Ratings during the FY 2021-22

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2021-22	Rating in 2020-21
Non-Convertible Debentures (NCD)	CARE Ratings	220.00	CARE AA; Stable [Double A; Outlook: Stable]	CARE AA; Negative [Double A; Outlook: Negative]
Non-convertible Debenture Programme	ICRA Limited	28,550.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Subordinated Debt programme	ICRA Limited	3,730.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Long Term Fund Based Bank Lines Programme	ICRA Limited	50,000.00	[ICRA]AA / Reaffirmed Stable	[ICRA]AA / Reaffirmed Negative
Long term principal protected market linked debenture programme	ICRA Limited	2,000.00	PP-MLD[ICRA]AA / Reaffirmed Stable	PP-MLD[ICRA]AA / Reaffirmed Negative

a) Ratings Assigned by Credit Rating Agencies as at March 31, 2021

(₹ in Millions)

Instrument	Name of the Rating Agency	Rating Assigned	Amount Rated
Non Convertible Debentures	CRISIL Limited	CRISIL AA/Stable reaffirmed	21,520.00
Subordinated Debt	CRISIL Limited	CRISIL AA/Stable	2,000.00
Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	2,000.00
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PP-MLD AAr/Stable reaffirmed	3,000.00
Total Bank Loan Facilities Rated	CRISIL Limited	CRISIL AA/Stable reaffirmed	60,000.00
Commercial Paper	CRISIL Limited	CRISIL A1+ reaffirmed	50,000.00
Commercial Paper Programme	ICRA Limited	[ICRA]A1+ reaffirmed	50,000.00
Non-convertible Debenture Programme	ICRA Limited	[ICRA]AA /Negative reaffirmed	32,640.00
Subordinate Debt programme	ICRA Limited	[ICRA]AA /Negative reaffirmed	4,000.00
Long Term Fund Based Bank Lines Programme	ICRA Limited	[ICRA]AA /Negative reaffirmed	50,000.00
Long term principal protected market linked debenture programme	ICRA Limited	PP-MLD[ICRA]AA / Negative Reaffirmed	2,000.00
Non-Convertible Debentures (NCD)	CARE Ratings	CARE AA; Negative [Double A; Outlook: Negative]	220.00
Unsecured Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	1,000.00
Subordinated NCDs	Brickwork Ratings	BWR AA+ 'Negative'	2,350.00
Secured NCDs	Brickwork Ratings	BWR AA+ 'Negative'	250.00

b) Details of Migration of Ratings during the FY 2020-21

(₹ in Millions)

Instrument	Name of the Rating Agency	Amount Rated	Rating in 2020-21	Rating in 2019-20
Non-Convertible Debentures (NCD)	CARE Ratings	220.00	CARE AA; Negative [Double A; Outlook: Negative]	CARE AA; Stable [Double A; Outlook: Stable]

VI) Remuneration of Non-Executive Directors

(₹ in Millions)

Name of Directors	Remuneration Paid	Remuneration Paid
	2021-22	2020-21
Mr. Kranti Sinha	1.68	1.57
Mr. S. Sridhar	1.97	1.69
Ms. Suvalaxmi Chakraborty	0.15	1.48
Mr. AK Purwar	0.31	0.33
Ms. Mohua Mukherjee	0.79	-

VII) Management : Refer the Management Discussion and Analysis section

VIII) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no impact in the profit and loss on account of prior period items on the current year profit and loss. For any change in accounting policies refer Significant Accounting Policies Note 3.

IX) Revenue Recognition : No revenue recognition has been postponed pending the resolution of significant uncertainties.

X) Applicability of Consolidation of Financial Statements: Refer to the Consolidated Financial Statements for the relevant disclosures.

44.5. Additional Disclosures

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

(₹ in Millions)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2021-22	2020-21
Provisions for depreciation on Investment*	3.75	4.79
Provision made towards Income tax	1,679.68	1,088.89
Provision towards NPA	475.71	918.96
Provision for Standard Assets	**550.44**	**1,702.11**
CRE – Residential	(44.67)	45.92
CRE – Others	11.61	(32.67)
Others	583.50	1,688.86

*Includes depreciation on Investment Property.

b) Break up of Loans and Advances and Provisions thereon

(₹ in Millions)

Breakup of Loans and Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	104,304.59	99,871.14	48,850.54	47,074.87
b) Provisions made	2,099.87	1,836.19	1,402.94	1,155.84
Sub-Standard Assets				
a) Total Outstanding Amount	1,982.06	732.20	1,578.24	975.85
b) Provisions made	682.54	259.84	488.06	474.50
Doubtful Assets - Category I				
a) Total Outstanding Amount	332.68	577.30	692.96	445.27
b) Provisions made	196.88	254.19	309.01	247.11
Doubtful Assets - Category II				
a) Total Outstanding Amount	352.37	369.99	467.92	273.66
b) Provisions made	273.56	184.40	195.15	173.73
Doubtful Assets - Category III			-	
a) Total Outstanding Amount	55.06	69.59	173.83	83.92
b) Provisions made	51.54	42.91	90.69	55.47
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**107,026.76**	**101,620.22**	**51,763.49**	**48,853.57**
b) Provisions Amount	**3,304.39**	**2,577.53**	**2,485.85**	**2,106.65**

II) Details on drawn drown from reserves
The disclosure pertaining to drawn down from Reserves has been disclosed shown in Other Equity (Refer Note 23).

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

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

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	-	-
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC	-	-

b) Concentration of Loans & Advances

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	8,850.38	10,456.98
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	5.57%	6.95%

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

(₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	9,544.29	11,261.20
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	5.43%	6.82%

Note: Exposure includes amount outstanding including principal, interest accrued and sanctioned but undisbursed.

d) Concentration of NPAs (₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten NPA accounts	775.45	733.45

e) Sector wise NPAs - Percentage of NPAs to Total Advances in that sector (₹ in Millions)

Sector	As at March 31, 2022	As at March 31, 2021
A. Housing Loans		
1. Individuals	2.62%	1.82%
2. Builders/Project Loans	-	0.75%
3. Corporates	13.75%	-
4. Others (specify)	-	-
B. Non-Housing Loans		
1. Individuals	5.93%	3.61%
2. Builders/Project Loans	10.01%	4.21%
3. Corporates	3.03%	3.56%
4. Others (specify)	-	-

*Includes interest accrued.

IV) Movement of NPAs (₹ in Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Net NPAs to Net Advances (%)	2.11%	1.24%
(II) Movement of NPAs (Gross)		
a. Opening balance	3,527.79	2,342.73
b. Additions during the year	3,761.60	1,942.60
c. Reductions during the year	(1,654.26)	(757.54)
d. Closing balance	**5,635.13**	**3,527.79**
(III) Movement of NPAs (Net)		
a. Opening balance	1,835.64	1,569.54
b. Additions during the year	2,356.04	793.67
c. Reductions during the year	(843.98)	(527.57)
d. Closing balance	**3,347.70**	**1,835.64**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a. Opening balance	1,692.15	773.19
b. Provisions made during the year	1,405.56	1,148.93
c. Write-off/write-back of excess provisions	(810.28)	(229.97)
d. Closing balance	**2,287.43**	**1,692.15**

V) Overseas Assets (₹ in Millions)

Particulars	2021-22	2020-21
N.A.	N.A.	N.A.

VI) Off-balance Sheet SPVs sponsored which are required to be consolidated as per accounting Norms

(₹ in Millions)

Name of the SPV Sponsored	Domestic	Overseas
NA.	N.A.	N.A.

VII) Percentage of outstanding loans granted against the collateral gold jewellery to the outstanding total assets is ₹ Nil. (P.Y. ₹ Nil.)

VIII) Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries : The company have operations only in India and does not have any joint venture partners with regard to joint ventures and overseas subsidiaries.

44.6. Disclosure of Complaints

I) Details on Customer Complaints

Particulars	2021-22	2020-21
a) No. of complaints pending at the beginning of the year	33	24
b) No. of complaints received during the year	732	1,108
c) No. of complaints redressed during the year	749	1,099
d) No. of complaints pending at the end of the year	16	33

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IIFL Home Finance Limited

45. Previous Year's figure have been re-grouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

46. These financial statements were authorised for issue by the Company's Board of Directors on April 25, 2022.

For and on behalf of the Board of Directors
of IIFL Home Finance Limited

R. Venkataraman

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

Monu Ratra
Executive Director & CEO
(DIN: 07406284)
Place: Gurugram

Ajay Jaiswal
Company Secretary
(F6327)
Place: Gurugram

IIFL Home Finance Limited

Amit Gupta
Chief Financial Officer
Place: Gurugram

Date: April 25, 2022

M.P. CHITALE & CO. MUMBAI C.A.

SURESH SURANA & ASSOCIATES LLP Chartered Accountants MUMBAI

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Shelf Prospectus since March 31, 2024 till the date of filing this Shelf Prospectus, there have been no event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoter/ Directors, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

i. Appointment of Mohan Sekhar as 'Independent Director' of the Company

Based on the recommendation of NRC and Board of Directors of the Company, Mohan Sekhar who was appointment as Additional Director (Non-executive & Independent) by the Board with effect from June 30, 2024, has now been appointed as 'Independent Director' of the Company, for a term of 5 (five) years upto June 29, 2029, pursuant to the approval of the shareholders of the Company vide EGM dated September 26, 2024.

ii. Equity investment in RMBS Development Company Limited for promotion and development of residential mortgage backed securities (RBMS) in India

The Company has invested ₹ 25 crore (Rupees Twenty Five crores) to acquire 5% stake in the RMBS Development Company Limited for the promotion and development of RMBS in India. RMBS Development Company Limited aims at revitalizing the residential mortgage-backed securities (RMBS) market and unlocking its potential for financing affordable housing.

FINANCIAL INDEBTEDNESS

As on September 30, 2024, our Company had outstanding Total Borrowings, on a standalone basis, of ₹16,867.54 Crores.

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ crore)	%
1	Secured borrowings	15,525.08	92.54%
2	Unsecured borrowings	1,342.46	7.96%
Total Borrowings		**16,867.54**	**100%**

Set forth below, is a summary of the borrowings by our Company outstanding as on September 30, 2024, together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings:

Our Company's secured outstanding borrowings, on a standalone basis, as on September 30, 2024 amounts to ₹ 15, 525.08 crores.

The details of the secured borrowings are set out below:

i. ***Term Loans from Banks/ Financial Institutions***

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
1.	Bandhan Bank	Term Loan	200	135.71	March 30, 2029	First Pari passu charge on standard loan book Assets/variables of the company both present and future, book debts, loan and	Prepayment Facility of 2.00% on principal o/s amount. However, in case of increase in the interest spread, company may prepay the loan without penalty within 15 days of intimation of increase in interest spread	ICRA AA: Stable	Standard
2.	Bank of Baroda	Term Loan	500	249.56	December 20, 2026	First pari passu charge by hypothecation of receivables created out of bank finance of the Company with minimum security cover to the extent of 1.15 times of outstanding loan amount.	2% p.a on the balance amount of loan and for residual period of prepayment	ICRA AA: Stable	Standard
3.	Bank of Baroda	Term Loan	500	365.07	June 30, 2029	First pari passu charge by hypothecation of receivables created out of bank finance of the Company with minimum security cover to the extent of 1.15 times of outstanding loan amount.	2% p.a on the balance amount of loan and for residual period of prepayment	CRISIL AA/Stable	Standard
4.	Karnataka Bank	Term Loan	100	9.74	October 14,	First pari passu charge on standard receivables with a	Not Applicable	CRISIL AA/Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
					2024	minimum asset cover of 110% of the outstanding loan amount.			
5.	Canara Bank (Syndicate Bank)	Term Loan	300	128.57	June 24, 2027	First pari passu charge by way of hypothecation on all receivables of the Company with minimum security coverage to the extent of 1.11 times of outstanding loan amount.	NIL if paid from internal accruals or else applicable charges.	CRISIL AA/Stable	Standard
6.	Central Bank of India	Term Loan	250	168.94	December 31, 2030	First pari passu charge by way of hypothecation on all standard receivables/loan book of the Company with minimum asset cover to the extent of 1.11 times of outstanding loan amount.	NIL if prior notice of 30 days provided otherwise 1% p.a.	CRISIL AA/Stable	Standard
7.	Canara Bank	Term Loan	500	382.35	December 1, 2030	First pari passu charge on all present and future receivables of standard loan assets of the Company with minimum security coverage of 1.11 times of outstanding loan amount.	NIL if 6-month prior notice else 2%.	CRISIL AA/Stable	Standard
8.	Punjab & Sind Bank	Term Loan	200	138.15	March 30, 2029	First pari passu charge by way of hypothecation on standard receivables, book debts, loans and advances of the Company with a minimum asset cover of 1.11 times of the outstanding loan amount.	If the account is adjusted through take over, prepayment penalty of 1% would be charged and in all other cases, prepayment charges are NIL.	ICRA AA: Stable	Standard
9.	Punjab & Sind Bank	Term Loan	200	106.93	March 22, 2028	First pari passu charge by way of hypothecation on standard receivables, book debts, loans and advances of the Company with a	If the account is adjusted through take over, prepayment penalty of 1% would be charged and in all other cases, prepayment charges are NIL.	CRISIL AA/Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
						minimum asset cover of 1.11 times of the outstanding loan amount.			
10.	LIC Housing Finance	Term Loan	500	152.08	January 1, 2028	First pari passu charge on all receivables and other current assets of standard assets portfolio to the extent of 1.25 times of the outstanding loan amount.	1% for up to 2 years from date of disbursement; after 2 years, no penalty.	CRISIL AA/Stable	Standard
11.	RBL Bank Limited	Term Loan	100	25.00	June 29, 2025	First pari passu charge on all receivables and other current assets of standard assets portfolio to the extent of 1.20x of the outstanding loan amount.	With prior written notice to the borrower of 30 days	CRISIL AA/Stable	Standard
12.	Bank Of India	Term Loan	200	149.53	April 29, 2030	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.10 times of the outstanding loan amount.	Nil if paid through internal Cash accrual/fresh equity infusion/spread revised upward otherwise 0.50% p.a. applicable on amount prepaid for residual period of the loan on simple interest basis. 15 days prior notice required in all cases	ICRA AA: Stable	Standard
13.	Canara Bank	Term Loan	500	388.89	June 24, 2031	First pari passu charge on receivables, current assets, book debts including standard loans and advances with a minimum asset cover of 1.11 times of the outstanding loan amount.	Prepayment penalty is 2% of the prepaid amount, nil prepayment penalty if prior notice of 6 months is given	ICRA AA: Stable	Standard
14.	State Bank of India	Term Loan	500	198.55	November 30, 2024	First pari-passu hypothecation charge on receivables and other current assets of the Company to the extent of 1.25 times to be shared among working capital lenders/ Term lenders	2% of pre-paid amount. Pre-payment charges will not be levied: (a) In case payment has been made of cash sweep/ Insurance proceeds; (b) Payment at the instance of lenders; (c) Loans	ICRA AA: Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
						without any preference or priority of one another.	prepaid out of internal accruals/ equity infusion by promoters.		
15.	DCB Bank	Term Loan	40	25.00	January 31, 2027	First pari passu charge by the way pof hypothecation on receivables, current assets, book debts including standard loans and advances with a asset cover of 1.10 times of the loan amount at all times.	2% on outstanding / pre-paid amount, minimum 10,000/- Nil if pre-paud on interest reset date by giving one month notice	CRISIL AA/Stable	Standard
16.	HDFC Bank	Term Loan	100	8.33	December 31, 2024	First pari passu charge by the way of hypothecation on receivables, current assets, book debts including standard loans and advances with a asset cover of 1.10 times of the loan amount at all times. Receivable will not include loans to related parties associate / group entities.	Any cancellation or prepayment will be subject to funding penalties at the bank discretion	ICRA AA: Stable	Standard
17.	ICICI Bank	Term Loan	75	22.50	June 27, 2025	First pari passu charge on the standard and performing receivables with a minimum asset cover of 1.10x of the outstanding loan amount.	Repayment can be done after 2 years from the date post completion of disbursement or within 60 days of any such increase in spread. 15 days prior notice	CRISIL AA/Stable	Standard
18.	Indian Overseas Bank	Term Loan	100	49.64	September 30, 2026	First pari passu charge on the standard and performing receivables with a minimum asset cover of 1.10x of the outstanding loan amount.	Repayment in 1st year will attract charges otherwise with 30 days prior notice is required	ICRA AA: Stable	Standard
19.	Union Bank of India (Corporation Bank)	Term Loan	200	125.61	December 31, 2028	1.1x first pari passu charge on receivable except receivable charged to NHB	2.00% prepayment penalty on the o/s amount.	ICRA AA: Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
20.	Shinhan Bank	Term Loan	35	11.67	August 1, 2025	1.1x first pari passu charge on receivable except receivable charged to NHB	Nil	CRISIL AA/Stable	Standard
21.	Bank of Maharashtra	Term Loan	250	208.10	July 3, 2029	1.1x first pari passu charge on receivable except receivable charged to NHB	Prepayment charges to be waived at the time of interest reset date wherein the COmpany can prepay the amount within 7 days notice through internally generated cash accruals and/or fresh equity infusion. At all other instances, prepayment charges @ 1% pa + applicable tax on the amount prepaid from the date of payment till the next reset date will be applicable.	CRISIL AA/Stable	Standard
22.	Canara Bank	Term Loan	500	416.67	September 30, 2029	1.11x first pari passu charge on receivable except receivable charged to NHB	Applicable prepayment penalty of 2% of the prepaid amount.	CRISIL AA/Stable	Standard
23.	State Bank of India	Term Loan	1000	781.31	November 30, 2030	1.25x first pari passu charge on Stage 1 receivable except receivable charged to NHB	Prepayment penalty will be applicable in case term loan is prepaid within one year from last disbursement at 2% of the prepaid amount. Prepayment charges will not be leived on the following: (i) Payment at the instance of lenders (ii) in the instances where the bank has, strategically decided to exit from the exposure (iii) payment made from own sources.	CRISIL AA/Stable	Standard
24.	LIC Housing Finance	Term Loan	250	212.14	February 1, 2031	Pari passu hypothecation charge on all receivables and other current assets of the company to the extent of 1.25 times of the loan amount	Prepayment charges will be leived on the principal amount prepaid ahead of the repayment schedule as under. Upto 2 years - 2%, beyond 2years - Nil	CRISIL AA/Stable	Standard
25.	IDBI Bank	Term Loan	100	85.00	November	First pari passu charge on standard	In Case of rate fo interest levied on reset	ICRA AA: Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
					30, 2028	receivables of the company. Minimum security of 1.15 times on the outstanding principal amount to be maintained at all times during the tenor of the facility.	is higher than the existing rate and is not acceptable to the company, the finanical assistance may be prepaid, withourt payment of any prepayment premium on the reset dates with in 30 days notice to the bank. However the o/s principal amount of the financial assistance shall not be prepaid in any other date than the reset dates, except after obtaining the approval of bank including payment of premia for such prepayment at 2%pa		
26.	Canara Bank	Term Loan	250	208.33	July 31, 2029	First pari passu charge on standard receivables of the company. Minimum security of 1.11 times on the outstanding principal amount to be maintained at all times during the tenor of the facility	Applicable prepayment penalty of 2% on the prepaid amount	ICRA AA: Stable	Standard
27.	Kotak Mahindra Bank	Term Loan	200	142.76	March 27, 2027	First and Pari-Passu charge on standard book debts/receivables and current assets (excluding cash and bank balances and investments of the company), except for book debts/receivables charged or to be charged in favour of National Housing Bank for refinance availed or to be availed from them.	Pre-payment of the liabilities of the Borrower, prior to completion of tenor of the facility, shall attract a penal charge of 2% on the outstanding loan amount Right to prepay the facility once every year at the time of annual review of the facility if the ROI is not acceptable to the borrower without any prepayment penalty with a notice of 15 days to the bank. The above right shall be available for a period of 1 month from the date of such annual review	CRISIL AA/Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
28.	HDFC Bank	Term Loan	300	133.33	August 8, 2026	Current assets - First pari passu charge on eligible receivables of standard assets as per the STA	Not Applicable	ICRA AA: Stable	Standard
29.	HDFC Bank	Term Loan	300	72.73	August 8, 2026	Current assets - First pari passu charge on eligible receivables of standard assets as per the STA	Not Applicable	ICRA AA: Stable	Standard
30.	Indian Bank	Term Loan	250	212.41	December 29, 2028	First pari passu charge on standard receivables of the company. Minimum security of 1.10 times on the outstanding principal amount to be maintained at all times during the tenor of the facility	Nil, Subject to 30 days notice	CRISIL AA/Stable	Standard
31.	Bank of Maharashtra	Term Loan	200	192.24	September 29, 2030	First pari passu charge by way of hypothecation of standard loan receivables to the extent of 1.10 times of the outstanding loan at any period of time	Prepayment charges to be waived at the time of interest reset date wherein company can prepay the amount in 7 days notice thorugh internally generated cash accruals and / or fresh equity	CRISIL AA/Stable	Standard
32.	State Bank of India	Term Loan	350	696.49	January 30, 2031	First pari passu charge by way of hypothecation of standard loan receivables to the extent of 1.25 times of the outstanding loan at any period of time	2% of the prepaid amount. 1 % of prepayment penalty will be applicable on account of loan prepaid out of higher cash accruals from project/equity infusion by the promoters	CRISIL AA/Stable	Standard
33.	State Bank of India	Term Loan	400		January 30, 2031	First pari passu charge by way of hypothecation of standard loan receivables to the extent of 1.25 times of the outstanding loan at any period of time	2% of the prepaid amount. 1 % of prepayment penalty will be applicable on account of loan prepaid out of higher cash accruals from project/equity infusion by the promoters	CRISIL AA/Stable	Standard
34.	State Bank of India	Term Loan	100	100.34	January 30, 2031	First pari passu charge by way of hypothecation of standard loan receivables to the	2% of the prepaid amount. 1 % of prepayment penalty will be applicable on account of loan prepaid	CRISIL AA/Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Prepayment	Credit Rating (if applicable)	Asset Classification
						extent of 1.25 times of the outstanding loan at any period of time	out of higher cash accruals from project/equity infusion by the promoters		
35.	Shinhan Bank	Term Loan	30	25.00	March 11, 2027	First pari passu charge by way of hypothecation on existing and future loan receivables with asset cover of 1.1 times (except receivables if any given on exclusive charge to any lenders)	Nil	CRISIL AA/Stable	Standard
36.	LIC Housing Finance	Term Loan	500	478.29	April 1, 2032	Pari Passu hypothecation charge on all receivables and other current assets of the company to the extent of 110% times of the loan amount to be shared among working capital lenders / term lenders without any preference or priority of one another.	Prepayment charges will be levied on the Principal Amount prepaid ahead of the repayment schedule as under If repaid upto 2 years from the date of disbursement - 2%, after 2 years - Nil	CRISIL AA/Stable	Standard
37.	LIC Housing Finance	Term Loan	150	146.00	October 1, 2032	Pari Passu hypothecation charge on all receivables and other current assets of the company to the extent of 110% times of the loan amount to be shared among working capital lenders / term lenders without any preference or priority of one another.	Prepayment charges will be levied on the Principal Amount prepaid ahead of the repayment schedule as under If repaid upto 2 years from the date of disbursement - 2%, after 2 years - Nil	CRISIL AA/Stable	Standard
Total				***6,952.98***					
Add/ Less: Ind AS adjustments:									
Impact of Effective interest rate				(28.99)					
Mark to Market				2.41					
Interest accrued				101.61					
Amount Outstanding as per Ind AS				**7,028.01**					

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

a. Additional interest of up to 2% per month on overdue portion of the amount for the period of default in case of any delay / default in payment of principal or interest.

b. If default in payment continue for 6 month or more then they will have right to convert debt into equity at a mutual acceptable formula
c. Penalty of up to 2% per month in cases of pre-payment of the loan / facility.
d. Withdraw the concessions and charges normal rate of interest / charges together with 2% penal interest.
e. Penalty of 1% per annum in case the Company fails to obtain and keep alive external credit rating form any one of the RBI approved agencies.
f. Penalty of up to 2% per annum in case of breach of terms and conditions of the loan agreements.
g. Penalty of up to 2% per annum in case of non-creation of security as per the loan agreements.

Rescheduling: NA.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a. Any of the instalment amount referred to herein above being unpaid on the due date for payment thereof.
b. Any representation and/or the statements made by the Company in the application being found to be incorrect and / or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.
c. Any deterioration or impairment of the security provided by the Company to the lenders or any decline or depreciation in the value or market price thereof which causes the security rendered to become unsatisfactory as to character or value.
d. Company entering any arrangement or composition with Company's creditors or committing any act the consequence of which may lead to Company being ordered to be wound up.
e. Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.
f. If the Security or securities created in favor of another creditor become enforceable.
g. If any reference against the obligors under IBC is preferred, whether accepted or not
h. If the borrower fails to inform the lender of the occurrence of any event of default or any event which after the notice or lapse of time or both would become event of default
i. Any order being made, or a resolution being passed for the winding up of the Company.
j. A receiver being appointed of the entire properties or any part thereof belonging to or under the control of Company.
k. If any attachment, distress, execution, or other process is initiated against the Company or any of the security provided by the Company is enforced.
l. If the Company enters amalgamation, reorganization or reconstruction or there is a change of control of the Company without the prior consent of the lenders/debenture trustee in writing.
m. The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of Company's intention to do so.
n. A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.
o. The occurrence of any event or circumstances which would or is likely to affect in any manner the capacity of the Company prejudicially or adversely to either repay the said advance or to carry out the said proposal.
p. Failure of the Company to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.
q. If the borrower commits any breach of or omit to observe any of its covenants, obligations or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.

ii. Cash Credit / Overdraft against Fixed Deposit ("ODFD")/ Working Capital Demand Loans("WCDL") facility availed by our Company

(₹ in crores unless otherwise stated)

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
1.	State Bank of India	WCDL	20.00	20.00	On demand	First pari-passu hypothecation charge on receivables and other current assets of the Company to the extent of 1.25 times to be	ICRA AA: Stable	Standard

(₹ *in crores unless otherwise stated)*

S. No.	Name of Lender	Type of Facility and Documentation	Total amount of loan Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date/ Schedule	Security	Credit Rating (if applicable)	Asset Classification
						shared among working capital lenders/ Term lenders without any preference or priority of one another.		
2.	RBL Bank	WCDL	50.00	50.00	On demand	First pari Passu charged by way of Hypothecation on the receivables (including loans and advances) of the Company with Asset Coverage Ratio of 1.25 times	CRISIL AA/Stable	Standard
3.	RBL Bank	WCDL	50.00	50.00	On demand	First pari Passu charged by way of Hypothecation on the receivables (including loans and advances) of the Company with Asset Coverage Ratio of 1.25 times	CRISIL AA/Stable	Standard
4.	HDFC Bank	WCDL	15.00	-	On demand	First pari Passu charged by way of Hypothecation on the receivables (including loans and advances) of the Company with Asset Coverage Ratio of 1.1 times	ICRA AA: Stable	Standard
5.	RBL Bank	FDOD	100.00	89.50	On Demand	Fixed Deposit (FD) to the extent of 05% of the facility amount to be duly lien marked in favor of the Bank	NA	Standard
6.	State Bank of India	ODFD	43.23	-	On demand	Fixed Deposit (FD) to the extent of 10% of the facility amount to be duly lien marked in favor of the Bank	NA	NA
7.	ICICI Bank	ODFD	5.00	-	On demand	Fixed Deposit (FD) to the extent of 05% of the facility amount to be duly lien marked in favor of the Bank	NA	NA
8.	HDFC Bank	ODFD	5.00	-	On demand	Fixed Deposit (FD) to the extent of 10% of the facility amount to be duly lien marked in favor of the Bank	NA	NA
Total			**288.23**	**209.50**				

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

a. Additional interest of up to 2% per month on overdue portion of the amount for the period of default in case of any delay / default in payment of principal or interest.
b. Penalty of up to 2% per month in cases of pre-payment of the loan / facility.
c. Penalty of 1% per annum in case the Company fails to obtain and keep alive external credit rating form any one of the RBI approved agencies.
d. Penalty of up to 2% per annum in case of breach of terms and conditions of the loan agreements.
e. Penalty of up to 2% per annum in case of non-creation of security as per the loan agreements.

Rescheduling: NA.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a. Any of the instalment amount referred to herein above being unpaid on the due date for payment thereof.
b. Any representation and/or the statements made by the Company in the application being found to be incorrect and / or the Company committing any breach or default in the performance or observance of any terms, conditions or provisions contained in the said application and/or the letter of sanction.
c. Any deterioration or impairment of the security provided by the Company to the lenders or any decline or depreciation in the value or market price thereof which causes the security rendered to become unsatisfactory as to character or value.
d. Company entering any arrangement or composition with Company's creditors or committing any act the consequence of which may lead to Company being ordered to be wound up.
e. Any process being issued against the Company for execution of a decree and/or for attachment before judgment resulting in any of the property belonging to and/or under the control of the Company being attached.
f. Any order being made, or a resolution being passed for the winding up of the Company.
g. A receiver being appointed of the entire properties or any part thereof belonging to or under the control of Company.
h. If any attachment, distress, execution, or other process is initiated against the Company or any of the security provided by the Company is enforced.
i. If the Company enters amalgamation, reorganization or reconstruction or there is a change of control of the Company without the prior consent of the lenders/debenture trustee in writing.
j. The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of Company's intention to do so.
k. A firm of accountants appointed by the lender certifying that the liabilities of the Company exceed the assets owned and/or under the control of the Company and/or that the Company is carrying on business in loss.
l. The occurrence of any event or circumstances which would or is likely to affect in any manner the capacity of the Company prejudicially or adversely to either repay the said advance or to carry out the said proposal.
m. Failure of the Company to pay on the due date upon which any amount is due and payable whether by way of interest, principal or any other sum stated as payable under this facility.
n. If the borrower commits any breach of or omit to observe any of its covenants, obligations, or undertakings under the term loan and in case of any such breach or omission capable of being remedied, such breach or omission is not remedied within 30 days.

iii. ***External Commercial Borrowings***

(₹ in crores unless otherwise stated)

Sr. No.	Lender's Name	Date of Sanction / Renewal	Amount Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date / Schedule	Security	Credit Rating (if applicable)
a.	Development Finance Corporation	July 10, 2023	413.10	401.63	To repay the outstanding principal amount of the Loan in up to thirty-six (36) approximately equal installments on each Principal Repayment Date in accordance with the Repayment Schedule	First exclusive charge by way of hypothecation identified assets with a minimum asset cover of 1.10 times on the outstanding loan amount	NA
	Total			401.63			
Add/ Less: Ind AS adjustments:							
Impact of Effective interest rate				-			
Mark to Market				5.68			
Interest accrued				1.15			
Amount Outstanding as per Ind AS				**408.46**			

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

Except as otherwise provided in Section 9.02(b), if any Event of Default has occurred and is continuing, DFC may at any time do any one or more of the following:

i. suspend or terminate the Commitment;
ii. declare, by written demand for payment, any portion or all of the Loan to be due and payable, whereupon such portion or all of the Loan, together with interest accrued thereon and all other amounts due under the Financing

Documents, shall immediately mature and become due and payable, without any other presentment, demand, diligence, protest, notice of acceleration, or other notice of any kind, all of which the Borrower hereby expressly waives; or

iii. without notice of default or demand, proceed to protect and enforce its rights and remedies by appropriate proceedings or actions, including for enforcement of security, whether for damages or the specific performance of any provision of any Financing Document, or in aid of the exercise of any power granted in any Financing Document, or by law, or may proceed to enforce the payment of any Note.

(b) Upon the occurrence of an Event of Default referred to in Sections 9.01(k) (Voluntary Bankruptcy Default) or (l) (Involuntary Bankruptcy Default), (i) the Commitment shall automatically terminate, and (ii) the Loan, together with interest accrued thereon and all other amounts due under the Financing Documents, shall immediately mature and become due and payable, without any presentment, demand, diligence, protest, notice of acceleration, or other notice or action of any kind, all of which the Borrower hereby expressly waives.

Event of defaults set under Section 9.01 includes but not limited to:

a. Payment default: If borrower fails to make payment with 5 Business Days of due date.
b. Representation default: Any representation or warranty made by the Borrower in any Financing Document, or in any report, certificate, Financial Statement, or other document delivered pursuant to any such Financing Document, proves to have been incorrect in any material respect when made or deemed made.
c. Covenants Default: If borrower fails to comply with various covenants.
d. Approvals Default: Any Consent necessary for the Borrower to perform and observe its obligations under any Transaction Document or to carry out the Project is not effected or given or is withdrawn or ceases to remain in full force and effect, and such Consent remains not effected or given or is withdrawn or ceases to remain in full force and effect for a period of thirty 30 days., etc.

Rescheduling: NA

Events of Default: The facility documents executed by the Company stipulates certain events as “Events of Default”, pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a. Any person fails to comply with any covenant or provision set forth in Part E (Covenants) of Schedule Z.
b. Any Person, other than any Beneficial Ten Percent Owners set forth in Part I (Direct Owners) or Part II (Beneficial Owners) of Schedule 3.01 (a)(iv) (Capitalization), becomes a Beneficial Ten Percent Owner of the Borrower without the prior written consent of the DFC.
c. The Borrower is Controlled, directly or indirectly, by one or other Foreign Government Entities.
d. The Borrower or any Key Individual is Convicted of a Narcotics Offense or Drug Trafficking.

iv. Details of Outstanding Exposure from Refinance Facilities from National Housing Bank:

Our Company has obtained refinance facilities amounting to ₹ 4,534.43 crores are outstanding as on September 30, 2024, the details of which are set forth below:

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Term Loan No	Amount Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date / Schedule	Security	Credit Rating (if applicable)	Asset Classification
1.	National Housing Bank	100004592	2.74	2.74	July 1, 2026	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited	CRISIL AA/Stable	Standard
2.	National Housing Bank	100004625	12.89	12.89	April 1, 2027	" Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited	CRISIL AA/Stable	Standard
3.	National	1000046	17.51	17.51	April 1,	"Secured by- 1. Hypothecation of	CRISIL	Standa

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Term Loan No	Amount Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date / Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Housing Bank	70			2026	book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited	AA/Stable	rd
4.	National Housing Bank	100004669	18.47	18.47	January 1, 2027	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited"	CRISIL AA/Stable	Standard
5.	National Housing Bank	100004720	16.78	16.78	April 1, 2031	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited	CRISIL AA/Stable	Standard
6.	National Housing Bank	100004721	5.91	5.91	July 1, 2029	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced 2. Corporate Guarantee by IIFL Finance Limited"	CRISIL AA/Stable	Standard
7.	National Housing Bank	100004729	2.75	2.75	January 1, 2025	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited"	CRISIL AA/Stable	Standard
8.	National Housing Bank	100004771	47.42	47.42	October 1, 2033	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited"	CRISIL AA/Stable	Standard
9.	National Housing Bank	100004772	104.25	104.25	July 1, 2032	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited	CRISIL AA/Stable	Standard
10.	National Housing Bank	100004773	89.70	89.70	July 1, 2032	Secured by- 1. Hypothecation of book debts, both present and future by way of First Pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced2. Corporate Guarantee by IIFL	CRISIL AA/Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Term Loan No	Amount Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date / Schedule	Security	Credit Rating (if applicable)	Asset Classification
						Finance Limited"		
11.	National Housing Bank	100004775	29.97	29.97	July 1, 2025	"Secured by- 1. Hypothecation of book debts, both present and future by way of first pari passu charge on Loans flagged to NHB to the extent of 125% of the amount refinanced. 2. Corporate Guarantee by IIFL Finance Limited	CRISIL AA/Stable	Standard
12.	National Housing Bank	100004960	47.27	47.27	April 1, 2025	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 120%	CRISIL AA/Stable	Standard
13.	National Housing Bank	100004959	20.69	20.69	April 1, 2030	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 120%	CRISIL AA/Stable	Standard
14.	National Housing Bank	100004961	10.18	10.18	October 1, 2025	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 120%	CRISIL AA/Stable	Standard
15.	National Housing Bank	100004975	109.40	109.40	January 1, 2030	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 120%	CRISIL AA/Stable	Standard
16.	National Housing Bank	100005230	8.86	8.86	January 1, 2026	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125% "	CRISIL AA/Stable	Standard
17.	National Housing Bank	100005229	44.80	44.80	October 1, 2030	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	CRISIL AA/Stable	Standard
18.	National Housing Bank	100005228	192.52	192.52	October 1, 2027	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	CRISIL AA/Stable	Standard
19.	National Housing Bank	100005415	22.80	22.80	July 1, 2025	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	CRISIL AA/Stable	Standard
20.	National Housing Bank	100005416	315.26	315.26	October 1, 2031	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	CRISIL AA/Stable	Standard
21.	National Housing Bank	100005417	188.00	188.00	October 1, 2028	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	CRISIL AA/Stable	Standard
22.	National Housing Bank	100005476	10.41	10.41	October 1, 2025	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%	CRISIL AA/Stable	Standard
23.	National	1000054	21.21	21.21	January	Secured by First exclusive charge	CRISIL	Standa

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Term Loan No	Amount Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date / Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Housing Bank	79			1, 2029	over the book debts refinanced by NHB with an asset coverage of 125%.	AA/Stable	rd
24.	National Housing Bank	100005532	11.54	11.54	October 1, 2025	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%.	CRISIL AA/Stable	Standard
25.	National Housing Bank	100005568	21.38	21.38	April 1, 2029	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 125%.	CRISIL AA/Stable	Standard
26.	National Housing Bank	100005700	99.84	99.84	October 1, 2032	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
27.	National Housing Bank	100005693	354.50	354.50	October 1, 2032	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
28.	National Housing Bank	100005695	180.18	180.18	October 1, 2032	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
29.	National Housing Bank	100005696	194.44	194.44	October 1, 2029	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
30.	National Housing Bank	100005906	461.51	461.51	July 1, 2033	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 1!5%	CRISIL AA/Stable	Standard
31.	National Housing Bank	100005907	444.44	444.44	July 1, 2030	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
32.	National Housing Bank	100006018	142.30	142.30	October 1, 2033	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 1!5%	CRISIL AA/Stable	Standard
33.	National Housing Bank	100006019	284.60	284.60	October 1, 2033	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
34.	National Housing Bank	100006020	277.60	277.60	October 1, 2030	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 115%	CRISIL AA/Stable	Standard
35.	National Housing Bank	100006069	185.12	185.12	January 1, 2034	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 110%	CRISIL AA/Stable	Standard
36.	National Housing	100006068	344.61	344.61	January 1, 2034	Secured by First exclusive charge over the book debts refinanced by	CRISIL AA/Stable	Standard

(₹ in crores unless otherwise stated)

Sr. No.	Name of Lender	Term Loan No	Amount Sanctioned	Amount Outstanding as on September 30, 2024	Repayment Date / Schedule	Security	Credit Rating (if applicable)	Asset Classification
	Bank					NHB with an asset coverage of 110%		
37.	National Housing Bank	100006070	192.59	192.59	January 1, 2031	Secured by First exclusive charge over the book debts refinanced by NHB with an asset coverage of 110%	CRISIL AA/Stable	Standard
	Total		**4,534.43**	**4,534.43**				

The National Housing Bank Refinance is repayable in quarterly instalments for the tenure of loan sanctioned as per the refinance schemes. In the case of adverse balance arising due to pre-closure of loans in normal operation of lending and accelerated repayments, the shortfall is repaid as per the scheme provisions to ensure that flagged loans outstanding is equal or more than the refinance outstanding.

Note – Pre - Repayment Criteria

a. The refinance availed by the HFC can be prepaid without any prepayment charges subject to fulfillment of all the following conditions
   - Such refinance is availed under the Rural Housing Fund, Urban Housing Fund, Special urban refinance scheme for low-income households, or under regular refinance schemes at regular rates
   - The HFC has received the said amounts from the ultimate borrowers under these schemes and
   - The prepayment is made not more than once in quarter after giving a two-week notice (2 months' notice required on loans with Sr. No. 5 and 6)

b. The refinance availed by the HFC can be prepaid by them without any prepayment charges subject to the following conditions
   - The said refinance has at least run for one year (including the required period of notice
   - Prior notice of 2 months given to NHB
   - Such prepayment is made not more than once in any half year (Jan-June or July-Dec)

c. In all other cases, prepayment would be accepted from the company upon payment of prepayment charges as stated below and subject to the company giving 2 months' notice in writing of its intention to prepay
   - If time elapsed since disbursement is up to 1 year, then prepayment charges are 1% of amount to be prepaid
   - If time elapsed since disbursement is more than 1 year, then prepayment charges are 0.5% of amount to be prepaid

d. All other terms and conditions of refinance as applicable to Housing Finance Companies as communicated from time to time shall continue to be applicable.

Details of Outstanding Non-Convertible Securities:

i. Private Placement of secured redeemable non-convertible debentures

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 2,729.15 crores is outstanding as on September 30, 2024, the details of which are set forth below:

(₹ in crores unless otherwise stated)

Sr. No.	Series of the NCDs	ISIN	Amount Outstanding as on September 30, 2024	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
1.	9.18% Secured Non-Convertible Debentures Series C15 Date of Maturity October,03 2029	INE477L07AD0	300.00	October 3, 2019	October 3, 2029	9.18%	3653	CRISIL AA/ Stable
2.	8.69% Secured Redeemable Non-Convertible Debentures Series D2 Date of Maturity May,12 2030	INE477L07AF5	300.00	November 12, 2020	May 12, 2030	8.69%	3468	CRISIL AA/ Stable

Sr. No.	Series of the NCDs	ISIN	Amount Outstanding as on September 30, 2024	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
3.	8.6% Non-Convertible Debentures D3 series Date of Maturity February,11 2028	INE477L07AG3	18.00	February 11, 2021	February 11, 2028	8.60%	2556	CRISIL AA/ Stable & ICRA AA/Stable
4.	8.62% Non-Convertible Debentures D4 series Date of Maturity March,10 2028	INE477L07AH1	19.00	March 12, 2021	March 10, 2028	8.62 %	2555	CRISIL AA/ Stable & ICRA AA/Stable
5.	8.7% Non-Convertible Debentures D5 series Date of Maturity April,16 2029	INE477L07AI9	21.00	April 16, 2021	April 16, 2029	8.70 %	2922	CRISIL AA/ Stable & ICRA AA/Stable
6.	8.7% Non-Convertible Debentures D5 series Date of Maturity April,16 2029	INE477L07AI9	5.00	April 16, 2021	April 16, 2029	8.70 %	2922	CRISIL AA/ Stable & ICRA AA/Stable
7.	8.7% Non-Convertible Debentures D5 series reissue Date of Maturity April,16 2029	INE477L07AI9	10.00	April 26, 2021	April 16, 2029	8.70 %	2912	CRISIL AA/ Stable & ICRA AA/Stable
8.	8.7% Non-Convertible Debentures D6 series Date of Maturity May,14 2030	INE477L07AJ7	21.00	May 14, 2021	May 14, 2030	8.70 %	3287	CRISIL AA/ Stable & ICRA AA/Stable
9.	8.7% Non-Convertible Debentures D6 series reissue Date of Maturity May,14 2030	INE477L07AJ7	15.00	June 1, 2021	May 14, 2030	8.70 %	3269	CRISIL AA/ Stable & ICRA AA/Stable
10.	8.7% Non-Convertible Debentures D6 series reissue Date of Maturity May,14 2030	INE477L07AJ7	23.00	June 16, 2021	May 14, 2030	8.70 %	3254	CRISIL AA/ Stable & ICRA AA/Stable
11.	8.7% Non-Convertible Debentures D6 series reissue Date of Maturity May,14 2030	INE477L07AJ7	35.00	September 13, 2021	May 14, 2030	8.70 %	3165	CRISIL AA/Stable & ICRA AA/Negative
12.	8.7% Non-Convertible Debentures D6 series reissue Date of Maturity May,14 2030	INE477L07AJ7	15.00	September 24, 2021	May 14, 2030	8.70 %	3154	CRISIL AA/Stable & ICRA AA/Negative
13.	8.20% Secured Rated Listed Redeemable Non-Convertible Debenture. Series D7 Date of Maturity September,28 2026	INE477L07AK5	100.00	September 28, 2021	September 28, 2026	8.20 %	1826	CRISIL AA/ Stable & ICRA AA/Stable
14.	8.20% Secured Rated Listed Redeemable Non-Convertible Debenture. Series D7 Date of Maturity September,28 2026	INE477L07AK5	12.00	September 28, 2021	September 28, 2026	8.20 %	1826	CRISIL AA/ Stable & ICRA AA/Stable
15.	IIFL HOME FINANCE LIMITED SR D8 8.5 NCD 31MR26 FVRS1LAC LOA UPTO 30MR23	INE477L07AV2	280.00	March 31, 2023	March 31, 2026	8.50 %	1096	CRISIL AA/ Stable & ICRA AA/Stable
16.	IIFL HOME FINANCE LIMITED SR D9 8.5 NCD 22MY26 FVRS1LAC LOA UPTO 22MY23	INE477L07AW0	320.00	May 23, 2023	May 22, 2026	8.50 %	1095	CRISIL AA/ Stable & ICRA AA/Stable
17.	8.36% SECURED RATED UNLISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. LETTER OF ALLOTMENT DATE OF MATURITY 15/08/2029.	INE477L07AX8	820.00	August 18, 2023	August 15, 2029	8.36 %	1993	CRISIL AA/ Stable & ICRA AA/Stable
18.	8.585% ADB TRANCHE 1 DATE OF MATURITY	INE477L07A	340.45	February 25, 2022	February 25, 2030	8.59 %	2922	CRISIL AA/Stable

Sr. No.	Series of the NCDs	ISIN	Amount Outstanding as on September 30, 2024	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
	FEBRUARY,25 2030	T6						
19.	5% ADB TRANCHE 2 DATE OF MATURITY FEBRUARY,28 2031	INE477L07AU4	74.70	February 28, 2022	February 28, 2031	5.00 %	3287	CRISIL AA/Stable
Total			**2729.15**					
Add / (Less) : Ind AS Adjustments								
EIR			(13.42)					
Accrued Interest			71.22					
Amount Outstanding as per Ind AS			**2,786.95**					

Security Clause:

Above debentures are fully secured by first pari passu charge on receivables of the Company/ current assets / book debts, and first pari passu charge on the identified immovable property, ranging from 1 to 1.25 times the outstanding amount.

Penalty clause: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

a. In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period
b. In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor
c. Security to be created in accordance with applicable SEBI regulations. In case of delay in execution of trust deed and charge documents, the Company would refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.

Events of Default: The facility documents executed by the Company stipulates certain events as "Events of Default", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Secured Debentures:

a. When the Company defaults in payment of the principal amounts of Secured Debentures on the due dates(s);
b. When the Company makes a default in the payment of any interest on the Secured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;
c. When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;
d. When the default is committed in the performance or observance of any covenant, condition or provision in relation to the secured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;
e. Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;
f. Any information, representation, warranty, statement, certificate given by the Company to the Secured Debenture Holders, or the Debenture Trustee and the warranties given or deemed to have been given by it to the Secured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect;
g. If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty-five) days of being admitted;
h. The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty-five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily

dissolved;

i. The Company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Secured Debentures or the Company is 'unable to pay its debts' as obligated under the Act;

j. If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Secured Debentures;

k. The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

l. If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Secured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be affected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment;

m. The Company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Secured Debentures;

n. In the event any breach of the terms of the relevant information memorandums, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Secured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

ii. Public issue of secured redeemable non-convertible debentures

Our Company has done a public issue of secured, redeemable, non-convertible debentures under various series of which ₹426.06 crore is outstanding as on September 30, 2024 the details of which are set forth below:

(₹ in crores unless otherwise stated)

Sr. No.	Series of the NCDs	ISIN	Amount Outstanding as on September 30, 2024	Date of Allotment	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
1.	8.25% Public Issue Series 1	INE477L07AL3	225.72	January 3, 2022	January 3, 2025	8.25 %	1,096	BWR AA+/Negative and CRISIL AA/Stable
2.	Zero Coupon Public Issue Series 2	INE477L07AM1	26.73	January 3, 2022	January 3, 2025	-	1,096	BWR AA+/Negative and CRISIL AA/Stable
3.	8.2% Public Issue Series 3	INE477L07AN9	52.65	January 3, 2022	January 3, 2027	8.20 %	1,826	BWR AA+/Negative and CRISIL AA/Stable
4.	8.5% Public Issue Series 4	INE477L07AO7	13.60	January 3, 2022	January 3, 2027	8.50 %	1,826	BWR AA+/Negative and CRISIL AA/Stable
5.	Zero Coupon Public Issue Series 5	INE477L07AP4	4.25	January 3, 2022	January 3, 2027	-	1,826	BWR AA+/Negative and CRISIL AA/Stable
6.	8.43% Public Issue Series 6	INE477L07AQ2	53.74	January 3, 2022	January 3, 2029	8.43 %	2,557	BWR AA+/Negative and CRISIL AA/Stable
7.	8.75% Public Issue Series 7	INE477L07AR0	22.18	January 3, 2022	January 3, 2029	8.75 %	2,557	BWR AA+/Negative and CRISIL AA/Stable
8.	Zero Coupon Public Issue Series 8	INE477L07AS8	5.53	January 3, 2022	January 3, 2029	-	2,557	BWR AA+/Negative and CRISIL AA/Stable
Total			**404.39**					
Add/(Less) : Ind AS Adjustments								
EIR			(4.14)					
Accrued Interest			25.81					
Amount Outstanding as per Ind AS			**426.06**					

Security Clause:

First pari passu charge in favor of Debenture Trustee by way of hypothecation on receivables of the company, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in favor of certain existing charge holders.

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

a. In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period
b. In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor
c. Security to be created in accordance with applicable SEBI regulations. In case of delay in execution of trust deed and charge documents, the Company would refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.

Events of Default: The facility documents executed by the Company stipulates certain events as "Events of Default", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

The occurrence of any of the following events shall constitute an event of default by the company in relation to the Secured Debentures:

a. When the Company defaults in payment of the principal amounts of Secured Debentures on the due dates(s);
b. When the Company makes a default in the payment of any interest on the Secured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue;
c. When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;
d. When the default is committed in the performance or observance of any covenant, condition or provision in relation to the secured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;
e. Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;
f. Any information, representation, warranty, statement, certificate given by the Company to the Secured Debenture Holders, or the Debenture Trustee and the warranties given or deemed to have been given by it to the Secured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect.
g. If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty-five) days of being admitted.
h. The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty-five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved.
i. The Company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Secured Debentures or the Company is 'unable to pay its debts' as obligated under the Act.
j. If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Secured Debentures.
k. The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect.
l. If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Secured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be affected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment.

m. The Company enters into any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Secured Debentures.
n. In the event any breach of the terms of the relevant information memorandums, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Secured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

iii. Collateralized borrowing and lending obligation

As on September 30, 2024, our outstanding Collateralized borrowing and lending obligation amounts to Nil.

B. Details of unsecured borrowings:

Our Company's unsecured outstanding borrowings, on a standalone basis, as on September 30, 2024 amounts to ₹ 1,342.46 crores.

The details of the unsecured borrowings are set out below:

i. **Details of Unsecured Term Loans**

Our Company has nil outstanding unsecured term loans as on September 30, 2024.

ii. **Details of Public Issue of Unsecured and Redeemable Non-Convertible Debentures:**

(₹ in crores unless otherwise stated)

Sr. No.	Series of the NCDs	ISIN	Date of Allotment	Amount Outstanding as on September 30, 2024	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
1.	10% Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series I.	INE477L08147	August 3, 2021	232.72	November 3, 2028	10.00 %	2,649	CRISIL AA/Stable & Brickwork AA+/ Negative
2.	9.6% Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series II	INE477L08154	August 3, 2021	382.82	November 3, 2028	9.60 %	2,649	CRISIL AA/Stable & Brickwork AA+/ Negative
3.	Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series III	INE477L08162	August 3, 2021	40.28	November 3, 2028	Zero Coupon	2,649	CRISIL AA/Stable & Brickwork AA+/ Negative
Total				**655.82**				
Add/(Less) : Ind AS Adjustments								
EIR				(15.73)				
Accrued Interest				18.22				
Net Amount as per Ind AS				**658.31**				

Penalty: In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period (ii) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

a. When the Company defaults in payment of the principal amounts of Unsecured Debentures on the due dates(s);
b. When the Company makes a default in the payment of any interest on the Unsecured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.
c. When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;
d. When the default is committed in the performance or observance of any covenant, condition or provision in relation to the unsecured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues

for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;

e. Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;

f. Any information, representation, warranty, statement, certificate given by the Company to the Unsecured Debenture Holders, or the Debenture Trustee and the warranties given or deemed to have been given by it to the Unsecured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect.

g. If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty-five) days of being admitted.

h. The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty-five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved.

i. The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company’s liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Unsecured Debentures or the Company is ‘unable to pay its debts’ as obligated under the Act.

j. If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Unsecured Debentures.

k. The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect.

l. If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Unsecured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or amendment is to be affected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment.

m. The company enters any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the Unsecured Debentures.

n. In the event any breach of the terms of the Shelf Prospectus read with the Tranche I Prospectus, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Unsecured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

iii. **Details of private placement of Unsecured and Redeemable Non-Convertible Debentures:**

(₹ in crores unless otherwise stated)

Sr. No.	Series of the NCDs	ISIN	Date of Allotment	Amount Outstanding as on September 30, 2024	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
1.	8.85% Unsecured Subordinate Non-Convertible Debenture Series U06	INE477L08089	July 27, 2017	75.00	July 27, 2027	8.85 %	3652	ICRA AA;Stable Brickwork AA+/ Negative
2.	9.05% Unsecured Subordinate Non-Convertible Debenture Series U08	INE477L08105	February 28, 2018	10.00	February 28, 2028	9.05 %	3652	ICRA AA;Stable & Brickwork AA+/ Negative
3.	9.85% Unsecured Subordinate Non-Convertible Debenture Series U09	INE477L08113	June 18, 2018	40.00	June 16, 2028	9.85 %	3651	ICRA AA;Stable & Brickwork AA+/ Negative
4.	9.85% Unsecured Subordinate Non-Convertible Debenture Series U10	INE477L08121	July 13, 2018	20.00	July 13, 2028	9.85 %	3653	ICRA AA;Stable & Brickwork AA+/ Negative
5.	9.85% Unsecured	INE47	July	10.00	July 13,	9.85	3653	ICRA AA;Stable &

Sr. No.	Series of the NCDs	ISIN	Date of Allotment	Amount Outstanding as on September 30, 2024	Final Maturity Date	Coupon (p.a.) in %	Tenure /Period (Days)	Credit Rating
	Subordinate Non-Convertible Debenture Series U10	7L0812 1	13, 2018		2028	%		Brickwork AA+/ Negative
Total				**155.00**				
Add/(Less) : Ind AS Adjustments								
EIR				(0.38)				
Accrued Interest				3.60				
Net Amount as per Ind AS				**158.22**				

Penalty: In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least 2% p.a. over the coupon rate shall be payable by our Company for the defaulting period (ii) In case of delay in listing of the debt securities beyond the stipulated, our Company shall pay penal interest of at least 1% p.a. over the coupon rate from the deemed date of allotment till the listing of such debt securities to the investor

Rescheduling: None of the loan documents provides for rescheduling provision.

Events of Default: The occurrence of any of the following events shall constitute an event of default by the company in relation to the Unsecured Debentures:

a. When the Company defaults in payment of the principal amounts of Unsecured Debentures on the due dates(s);
b. When the Company makes a default in the payment of any interest on the Unsecured Debentures on the relevant due dates which ought to have been paid in accordance with the terms of the issue.
c. When the default is committed in payment of any another monies including costs, charges and expenses incurred by the Debenture Trustee and such default continues for a period of 30 (thirty) continuous Business Days;
d. When the default is committed in the performance or observance of any covenant, condition or provision in relation to the unsecured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied.
e. Any material indebtedness of the company for and in respect of monies borrowed or raised by the company by whatever means becomes due prior to its stated maturity by reason of default of the terms thereof, or there is a default in making payments due under any guarantee or indemnity given by the company in respect of the material indebtedness or borrowed monies of any other Person, and proceedings are initiated by the relevant lender or creditor in connection with such default, for recovery of such indebtedness or for enforcement or invocation of such guarantee or indemnity;
f. Any information, representation, warranty, statement, certificate given by the Company to the Unsecured Debenture Holders, or the Debenture Trustee and the warranties given or deemed to have been given by it to the Unsecured Debenture Holders or the Debenture Trustee is misleading or incorrect in any material respect.
g. If the company is unable to pay its material debts (in the reasonable opinion of the Debenture Trustee) or proceedings for taking it into voluntary liquidation may be or have been commenced or a competent court admits any petition for winding up, which is not stayed or vacated within 45 (forty-five) days of being admitted.
h. The Company has voluntarily become the subject of proceedings which is not stayed or vacated within 45 (forty-five) days of being admitted under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved.
i. The company is unable to or has admitted in writing its inability to pay the material debts as and when the same are due by the reason of the Company's liquidity position, insufficiency of cash flows, or otherwise, it is unlikely that Company would be in a position to pay its obligations in connection with the Unsecured Debentures or the Company is 'unable to pay its debts' as obligated under the Act.
j. If any extra ordinary circumstances have occurred which makes it improbable for the Company to fulfil its material obligations under these presents and/or the Unsecured Debentures.
k. The Company ceases to carry on its business or gives notice of its intention to do so, otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect.
l. If the Company makes or attempts to make any alteration to its Memorandum and Articles of Association which in the reasonable opinion of the Debenture Trustee prejudicially affects the interest of the Unsecured Debenture Holders, without the prior intimation of the Debenture Trustee in writing at least 30 (thirty) days prior to such change or amendment being affected. Provided that the Company prior to the proposed date on which such change or

amendment is to be affected, failing which the Debenture Trustee would have deemed to have consented to such change or amendment.

m. The company enters any arrangement or composition with its creditors which affects the ability of the Company to fulfil its obligations towards payment of amounts outstanding on the unsecured debentures.

n. In the event any breach of the terms of the relevant information memorandum, these presents and/or Financial Covenants and Conditions (other than the obligations to pay principal and interest) in relation to the Unsecured Debentures and except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required) such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

***iv.* Inter-Corporate Loans, Deposits and other borrowings**

Our Company does not have any Inter-Corporate Loans, Deposits and other borrowings as on September 30, 2024.

***v.* Loan from Directors and Relatives of Directors:**

Our Company has not raised any loan from directors and relatives of directors as on September 30, 2024.

***vi.* Details of outstanding Commercial Papers**

(₹ in crores unless otherwise stated)

Sr. No.	Series of the Commercial Papers	ISIN	Amount Outstanding as on September 30, 2024	Date of allotment	Tenure /Period of Maturity (Days)	Coupon (p.a.) In %	Redemption Date/ Schedule	Details of Credit Rating Agency and Credit Rating	Details of Issuing and Paying Agent
1.	IHFL 1977	INE477L14FP9	250.00	February 5, 2024	361	9.05%	January 31, 2025	ICRA A1+, Crisil A1+	ICICI Bank
2.	IHFL 1978	INE477L14FR5	150.00	July, 3, 2024	364	8.75%	July 2, 2025	Crisil A1+, ICRA A1+	ICICI Bank
3.	IIFLHL-FY2024-25/CP002/1	INE477L14FS3	150.00	September 30, 2024	242	8.60%	May 30, 2024	Crisil A1+, ICRA A1+	ICICI Bank
Total			**550.00**						
Add/(Less) : Ind AS Adjustments									
Accrued Interest			(24.06)						
Net Amount			**525.94**						

C. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

In the past 3 years preceding the date of this Shelf Prospectus, there has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any financing facilities or term loan or debt security including corporate guarantee issued by the Company.

D. List of top 10 holders of non-convertible securities (secured and unsecured) as on September 30, 2024

(₹ in crores unless otherwise stated)

Sr. No.	Name of holders*	Category of holder	Amount outstanding as on September 30, 2024	Face value of non-convertible securities (₹)	Holding as a % of total outstanding non-convertible securities of the Issuer
1.	International Finance Corporation	FII	820.00	10,00,000.00	20.79%
2.	ICICI Prudential Mutual Fund	Mutual Fund	600.00	1,00,000.00	15.59%
			15.00	1000.00	
3.	Life Insurance Corporation Of India	Insurance	600.00	10,00,000.00	15.21%
4.	Asian Development Bank	FII	340.45	7,85,714.00	10.53%
			74.70	10,00,000.00	
5.	ICICI Prudential Life Insurance Company Limited	Insurance	100.00	10,00,000.00	2.54%
6.	Indian Oil Corporation Limited (Refineries Division) Employees Provident Fund	Provident Fund	98.00	10,00,000.00	2.48%

7.	IOCL Employees PRMB Fund	Provident Fund	79.00	10,00,000.00	2.00%
8.	Trustees Food Corporation Of India Contributory Provident Fund	Provident Fund	50.00	10,00,000.00	1.27%
9.	The South Indian Bank Limited	Bank	50.00	1,000.00	1.27%
10.	Bajaj Allianz Life Insurance Company Limited.	Insurance	50.00	1,000.00	1.27%

**Due to different face value of non convertible bonds held by few of the top holders we have provided the details accordingly*

E. List of top 10 holders of commercial papers of our Company (on cumulative basis) as on September 30, 2024, are as follows:

(₹ in crores unless otherwise stated)

Sr. No.	Name of the CP holder	Category of the CP Holder	Face value of CP holding	Amount of CP holding (cumulative)	CP holding % as a % of total CP outstanding of the issuer
1.	Tata Mutual Fund	Mutual Fund	5,00,000.00	250.00	45.45%
2.	Go Digit General Insurance Limited	Insurance	5,00,000.00	150.00	27.27%
3.	ICICI Prudential Life Insurance Company Limited	Insurance	5,00,000.00	150.00	27.27%

F. Details of outstanding pass through certificates availed by the Issuer as on date of September 30, 2024:

(₹ in crores unless otherwise stated)

Sr No.	Deal Name	Date of Allotment	Amount Securitized	Amount outstanding	Maturity Date	Credit rating	Underlying Pool
1.	Elite Mortgage HL Trust Dec 2016	December 30, 2016	44.32	8.03	December 20, 2041	ICRA AAA /Stable	Housing Loan
2.	Elite Mortgage HL Trust June 2019	June 24, 2019	358.54	113.28	December 11, 2043	ICRA AAA /Stable	Housing Loan
3.	Elite Mortgage HL Trust Sept 2016	September 30, 2016	50.49	10.35	December 23, 2038	ICRA AAA /Stable	Housing Loan
	Total		**453.36**	**131.67**			

G. Details of bank fund based facilities/ rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares from financial institutions or financial creditors as on September 30, 2024:

Our Company does not have any bank fund based facilities/ rest of borrowings except as mentioned aforesaid, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares from financial institutions or financial creditors and other borrowings as on September 30, 2024.

H. Corporate Guarantee issued by our Company

Our Company has not given any guarantee for securitization and assignment transaction as on September 30, 2024. Further, as disclosed below, our holding company, IIFL Finance Limited, has provided certain corporate guarantees on our behalf, as on September 30, 2024.

(₹ in crores unless otherwise stated)

Sr. No.	Bank Name	Nature of Facility	Amount Sanctioned	Amount Outstanding
1.	National Housing Bank	Refinance	1,565.00	348.39
2.	State Bank of India	CC/WCDL	20.00	20.00
	TOTAL		**1,585.00**	**368.39**

I. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on September 30, 2024.

Our Company has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, as on September 30, 2024.

For point (C), our Company has issued the following NCDs having embedded option in it:

(₹ in crores unless otherwise stated)

S. No.	Particulars	ISIN	Date of Allotment	Coupon	Date of Maturity	Call option period	Amount Outstanding	Credit Rating
1.	9.05% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U08.	INE477L08105	February 28, 2018	9.05 %	February 28, 2028	After 6 years from the deemed date of allotment (Call option)	10.00	[ICRA]AA; & BWR AA+/Negative
2.	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U09.	INE477L08113	June 18, 2018	9.85 %	June 16, 2028	After 7 years from the deemed date of allotment (Call option)	40.00	[ICRA]AA; & BWR AA+/Negative
3.	9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010.	INE477L08121	July 13, 2018	9.85 %	July 13, 2028	After 7 years from the deemed date of allotment (Call option)	30.00	CRISIL AA/Stable & BWR AA+/Negative
4.	8.50% Secured Rated Listed Redeemable Non-Convertible Debenture. Series D8.	INE477L07AV2	March 31, 2023	8.50 %	March 31, 2026	After 24 months from the date of allotment (Call and put option)	280.00	CRISIL AA/Stable

Other than the securities mentioned above, our Company has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on September 30, 2024.

J. Letter of Comfort issued by our Company

As on September 30, 2024, our Company has not issued letters of comfort.

K. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures or preference shares as on September 30, 2024.

Our Company has not availed any other borrowings including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on September 30, 2024.

L. *Restrictive covenants under the financing arrangements:*

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee/bank/lender before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

1. Permit any change in the management or constitution documents of the borrower;
2. Create any further charge, lien or encumbrance over the assets and properties of the Company;
3. Effect any changes to the shareholding of the Company to the effect that it changes the management control of the Company;
4. Make any investments by way of deposits, loans, advances or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance other than in normal course of business;
5. revalue its assets;
6. pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability m connection with any Financial Indebtedness incurred by the Borrower or in connection with any other obligation undertaken for or by the Borrower or undertake any guarantee obligations except in normal course of business;
7. induct on its Board a person whose name appears in the list of wilful defaulters (in accordance with the extant guidelines issued by the RBI) and if such a person is found on its Board. it shall take expeditious and effective steps for removal of the person from its Board;
8. buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever that may result in

change in promoter or promoter losing Control.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

For the purpose of the Issue, our Company has obtained the necessary consent from our lenders, as required under the relevant borrowing arrangements for undertaking activities relating to the Issue.

M. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Company, in the past three financial years and the current financial year.

There are no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER MATTERS

Our Company from time to time, is involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases and tax proceedings.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with the resolution dated September 30, 2024 passed by the Finance Committee of the Board of Directors of our Company on 'Materiality Threshold'. Further, as on the date of this Shelf Prospectus, except as disclosed hereunder, our Company, Group Companies, Promoters and Directors are not involved in: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities); (ii) any outstanding civil litigation or tax proceedings involving our Company, Promoters (IIFL Finance Limited has its own materiality threshold as provided below), Directors, Group companies (excluding IIFL Capital Services Limited (formerly known as IIFL Securities Limited), IIFL Samasta Finance Limited, and 360 ONE Prime Limited which have their own materiality threshold as provided below), or any other person where the amount is ₹ ₹ 10.26 crores (being 1% of the average of absolute value of profit or loss after tax, based on the last audited financial statements of our Company) or above; (iii) any outstanding criminal litigation; (iv) pending proceedings initiated against the issuer for economic offences and (v) any other pending litigation involving the Company, Promoter, Directors, Group companies or any other person, which may be considered material by our Company for the purposes of disclosure in this section of this Shelf Prospectus, solely for the purpose of this Issue and whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and (vi) any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company /Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Except as disclosed in this section, there are no (i) inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Shelf Prospectus involving our Company, any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Shelf Prospectus involving our Company; (ii) any material fraud committed against our Company in the last three financial years and current financial year, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year; (v) any default in annual filing of our Company under the Companies Act, 2013; and (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority or regulatory authority against the Promoters of our Company during the last three years immediately preceding the year of this Shelf Prospectus, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Promoter, our Group Companies or our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum.

I. Litigation involving our Company

Material Civil Litigation by our Company

As on the date of the Shelf Prospectus, there are no material civil litigations pending by our Company.

Material Civil Litigation against our Company

As on the date of the Shelf Prospectus, there are no material civil litigations pending against our Company.

Criminal Litigation by our Company

1. A first information report dated February 1, 2017 was lodged by our Company at the Navrangpura Police Station, Ahmedabad, against Mihir Desai and other co-borrowers ("**Accused**") alleging inter alia, cheating and criminal breach of trust under Sections 406, 402, 465, 467, 468, 431, and 114 of the Indian Penal Code, 1860. It was alleged that the Accused had conspired to cause a loss to our Company by creating a subsequent mortgage and making a transfer of title and possession of the mortgage property to third parties despite the subsistence of an existing mortgage on the property in favour of our Company. Subsequently, our Company filed an appeal before City Civil and Session Court and prayed cancellation of bail given by Ld. Court below. The matter is pending investigation and our Company contesting the matter. Further, our Company has sold the secured asset as per

the provisions of SARAFESI Act. The matter is pending investigation.

2. A first information report 130/2016 dated April 6, 2016 was filed by our Company at the Ashok Nagar Police Station, Bengaluru, against Tanveer Pasha and other co-borrowers alleging, inter alia, cheating and criminal breach of trust under Sections 420, 465, 467 and 468 of the Indian Penal Code, 1860. The matter is pending investigation.

3. A first information report 347/2015 dated September 10, 2015 was lodged by our Company at the Vidhayak Puri, Police Station, Jaipur against Prem Chand Sharma and other co-borrowers ("**Accused**") alleging inter alia, cheating and criminal breach of trust under Sections 420 and 406 of the Indian Penal Code, 1860. It was alleged that the Accused had conspired to cause a loss to our Company by transferring the title and possession of the mortgage property to third parties, despite the subsistence of an existing mortgage on the property, in favour of our Company and entering into an agreement for transfer of title and possession of the mortgaged property to third parties. Chargesheet has been filed by police.

4. A first information report dated November 8, 2016 ("FIR") was registered by our Company at the Kalyan Police Station, District Thane, Mumbai under Section 467, 420, 468, 120(B) of the Indian Penal Code, 1860 against Anand Rajaram Yadav and other co-borrowers ("Accused"), alleging inter alia, cheating and criminal breach of trust. It was alleged that the Accused had conspired to cause a loss to our Company by raising funds on the same property from different lenders multiple times. The matter is pending investigation.

5. A first information report dated May 21, 2019 and October 16, 2018 ("FIR") was registered by our Company at the Malad Police Station, District Mumbai under Sections 428, 427 and 34 of the Indian Penal Code, 1860 against Subir Chakravarti and other co-borrowers and also at the Jahangirabad Police Station under Section 448 of the Indian Penal Code, 1860, alleging inter alia, trespassing and damaging the mortgaged property. It was alleged that the Accused had conspired to cause a loss to our Company. Chargesheet has been filed by police.

6. A first information report 262/2019 dated October 21, 2019 ("FIR") was registered by our Company at Kotwali Police Station, Kanpur City against Rajveer Singh Bhaduriya and other co-borrowers under Section 120B, 504, 406 and 420 of the Indian Penal Code, 1860, alleging that the accused had conspired to commit cheating, criminal breach of trust and cause a wrongful loss to our Company. It has been stated in the FIR that our Company disbursed a loan of ₹ 0.30 crore in favour of the accused. Chargesheet has been filed by the Police.

7. A first information report 381/2019 dated September 7, 2019 ("FIR") was registered by Udyog Vihar Police Station on September 7, 2019 under Section 420 and 120B of the Indian Penal Code, 1860 after getting direction from Judicial Magistrate, Gurgaon against Dwarkadheesh Project Private Limited and also against 6 customers of our Company who had conspired to cause loss to our Company. Matter is pending for investigation and filing of Chargesheet.

8. A first information report no. 266/20 dated June 11, 2020 was registered by our Company at the Para Police Station, Lucknow against Ankit Gupta, Santosh Kumar and Meewati ("**Accused**") under Section 419, 420, 467, 468 and 471 of Indian Penal Code, 1860, alleging inter alia, cheating and criminal breach of trust, forgery and caused a wrongful loss to our Company. The matter is under investigation.

9. A first information report 16/2021 dated January 27, 2021 was registered by our Company at the Udyog Vihar Police Station, Gurugram against Ashok Kumar and others co-borrowers under Section 120B, 419, 420, 467, 468 and 471 of IPC, alleging that the accused had conspired to commit cheating, cheating by personation, forgery and cause a wrongful loss to our Company. We had disbursed a loan of ₹ 2.25 crore in favour of the Accused. The matter is under investigation.

10. A first information report 192/2022 dated April 10, 2022 was registered under various Sections 406, 419, 420, 467, 468, 471 and 120B of IPC against M/s Yazdan Constructions and others upon the complaint made by our Company in the ordinary course of its business, in relation to its home loan/loan against property portfolio. The complaint is under investigation stage.

11. First information report 316/2023 dated October 18, 2023 was lodged under sections 448,427,379 r/w 34 IPC by our Company at the Nawabpet Police Station, Sri Potti Sriramulu Nellore, against accused persons named (1) Patan Mahaboob Basha, (2) Patan Vahida, 3) Shaik Mahaboob Basha, 4) Shaik Ayisha were criminally trespassed in to a house which was seized by the India Infoline Home Finance Limited authorities by damaging the sealed and locks and living there without prior permission from the bank authorities.

12. Our Company filed a petition CRL MP/1272/2023 against Ritu Fatehpuria ("Borrower") before the High Court of Rajasthan under Section 482 of the Code of Criminal Procedure, 1973 against the State of Rajasthan for quashing of an FIR. Quashing order passed by the High Court of Rajasthan.

13. Our Company has filed a writ petition against Venus Traders before the High Court of Punjab and Haryana for

obtaining a dasti warrant in a case filed under Section 138 of the Negotiable Instruments Act, 1881, against certain borrowers of our Company before the Gurugram court as the Gurugram court did not issue a dasti warrant despite several requests. The matter is currently pending before the High Court of Punjab and Haryana.

14. Our Company has filed Appeal No. 6907/2023 against Malaika Appliances ("Borrower") in the PMLA Court under the Prevention of Money Laundering Act ("PMLA") under Section 26 against impugned order dated October 26, 2023 passed by the Adjudicating Authority in regard to property listing at serial number 3 & 4 of Impugned Order. This property is mortgaged with our Company through LAN-715487 & 771626. The matter is pending before the PMLA Court, Delhi. The matter is currently pending adjudication.

Cases filed by our Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed 17,312 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of Payment and Settlement System Act, 2007, for dishonour of cheques/ electronic clearance service/ automated clearing house in Judicial Magistrate, Gurgaon. The aggregate of claim amounts filed by our Company is approximately ₹ 245.31 crore. The matters are pending before the courts at various stages of adjudication.

Criminal proceedings against our Company

1. An FIR dated June 18, 2019 was registered by Devender Kumar at the Faridabad Kotwali Police Station under Section 120B, 406, 419, 420, 467, 468 and 471 of Indian Penal Code (IPC) against unknown person and our Company alleging that fraud committed against him. The complainant availed loan from our Company for the purchase of the property and our Company is asked to present the transaction documents to support the investigation. The matter is currently pending.

2. Borrowers of our Company have filed Criminal Revisions Petitions in Punjab and Haryana High Court against the summoning orders passed by Judicial Magistrate, Gurugram. These petitions have been filed by Prabhat Kumar, M/S Orbit Foods Inc, MRG Auto Pvt. Limited, Ishwar Dass and Anita Dhiman have filed Civil Revisions u/s 482 of Cr.P.C. for quashing / transfer the pending litigation filed against him u/s 25 of PASA Act. These petitions are pending.

3. An FIR 541/2019 dated June 10, 2019 was registered upon the complaint of Sushil Jainarayan Karva at Pune Police Station under Sections 120B, 406, 420, 467, 468 and 471 of IPC against India Infoline Finance Limited, Nirmal Jain, Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Limited ("IIFL") did not reduce the EMI amount despite the complainant had repaid a substantial loan amount and that without his permission a co-borrower and IIFL settled the Arbitration proceedings for ₹ 0.007 crores and released the mortgaged property without his permission. He further alleged that IIFL misused his blank cheques given by him as security and filed false complaints under Section 138 of the N.I Act before the Gurgaon court. The police filed the closure report treating the matter as civil in nature and the matter is pending before court for final order to close the complaint.

4. A First Information Report 359/2021 dated March 5, 2021, was registered upon the complaint of Kamlesh Devi at Sahibabad, Ghaziabad under sections 420, 467, 468, 471, 504, 506 and 406 of IPC against our Company's employee Omkar Singh alleging that officers made false promise of giving loan at lower rate of interest but disbursed the loan amount at the rate of 21%. She had been paying the loan amount regularly, but the accused allegedly went for collection of the EMI which she had already paid and showed her bank passbook to reconfirm but he refused to agree the same. We have filed 482 Cr.P.C and got stay against arrest. The matter is pending for investigation by the police.

5. An FIR 153/2023 dated April 8, 2023 was registered upon the complaint of Rohit Yadav S/o Mr Dara Singh, ("Borrower") at Kapashera Police Station under Sections 406/420/34 of IPC against India Infoline Home Finance Limited, and ICICI Prudential, alleging that after death of Borrower, ICICI Prudential has rejected his claim. An insurance policy of ₹ 0.4 crores was signed at the time of loan. We have received a notice from P.S. Kapashera u/s 91 of Cr.P.C. And we have submitted our reply to the I.O. The Insurance Company has approached to legal heirs of borrower to settle the disputes.

6. An FIR 1131/2022 dated December 7, 2022, was registered upon the complaint of Manoj Kumar Shukla ("Borrower") at Moti Nagar Police Station against India Infoline Home Finance Limited and Lekhraj (our Company's Customer Care-Moti Nagar), alleged that after closing the loan, when he was going home after receiving the original property documents from our Company, he was approached by some unknown person from outside the office of our Company. The men snatched the papers from him. He has alleged that our Company's customer care officer Lekhraj is involved. We have received a notice from PS Moti Nagar for statement of Lekhraj and submitted our reply to IO. The matter is pending under investigation.

7. An FIR 0383/2022 dated November 23, 2022 was registered upon the complaint of Sanjeev Kumar Singh ("Borrower") at Kasarvadavali police station against India Infoline Home Finance Limited and its directors, alleged that the our Company has disbursed Higher loan amount than the amount applied for and due to this Higher EMI amount deducted than the amount agreed by him at the time of loan. The matter is in investigation. The matter has been settled with the complainant. We have also filed an application u/s 482 of Cr.P.C. to quashing the FIR.

8. An FIR 05/2021 Dated May 05, 2021 was registered upon the complaint Shyamsundar Bhagvanram Jangid, Age-56, R/o Patalipada, Thane has filed complaint at BKC Police Station vide complaint No. M/5 of 2021 u/s 420,467,468,471,409 and 34 of IPC against India Infoline Home Finance Limited, alleged that he was not availed any loan facility from our Company but a loan has been booked in their company name i.e. Balaji Cars vide loan prospect No-704302, 702930, 704302. In FIR he states that he has availed loan facility from IIFL Finance in year 2013 and in 2016 he was in settlement talks with them and later on he was paid ₹ 1.66 crore in part payment of settlement of loan account of IIFL. A loan of ₹ 7.80 crore was shown disbursed in his name by our Company, but he was not availed any loan facility from our Company. After registration of FIR, the I.O. has sent a notice u/s 91 of Cr.P.C. And we have submitted our reply to them. We have also filed an application u/s 482 of Cr.P.C. to quashing the FIR.

9. An FIR 55/2023 u/s 420 / 406 / 467 / 471 of the Indian Penal Code was registered upon the complaint of Ms. Manju Devi (borrower) at Police station Krishna Nagar, Delhi against India Infoline Home Finance Limited and its Directors, alleged that she was cheated of ₹ 0.13 crore by Chander Mohan by using her forged signature on her Canara Bank Cheque and taking her in good faith after her husband death. The matter is in investigation.

10. Yamuna Realty Private Limited ("**Borrower**") and two of its Directors have filed a petition against our Company before the Punjab and Haryana High Court under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings initiated by our Company under Section 25 of the Payment and Settlement Act, 2007. Further, Gunit Narang and Dilip Narang, Directors of Yamuna Realty Private Limited have filed criminal applications against our Company before the Punjab and Haryana High Court under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings initiated by our Company before the court of the 1st Class Judicial Magistrate, Gurugram, Haryana, under Section 25 read with Section 27 of the Payment and Settlement Act, 2007 read with Section 357 of the Code of Criminal Procedure, 1973. The matters are currently pending before the Punjab and Haryana High Court.

11. Henry Vijay Sirdar Masih has filed a criminal application against our Company before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 for quashing criminal complaint proceedings initiated by our Company under Section 25 read with Section 27 of the Payment and Settlement Act, 2007, read with Section 357 of the Code of Criminal Procedure, 1973 before the court of Judicial Magistrate, Gurugram. The matter is currently pending before the Punjab and Haryana High Court.

12. Anu Ahuja has filed a petition under Section 482 of the Code of Criminal Procedure, 1973 against our Company before the Punjab and Haryana High Court at Chandigarh, for quashing a first information report registered at Police Station Shivaji Nagar, Gurugram. The first information report was filed by our Company under section 174-A of the Indian Penal Code, 1860 at the Shivaji Nagar, Gurugram police station, under the Negotiable Instruments Act, 1881. The matter is currently pending before the Punjab and Haryana High Court at Chandigarh.

13. Narendra Kumar and certain others have filed a contempt petition under Section 340 of the Code of Criminal Procedure, 1973, before the Dwarka Court, New Delhi against the proceedings initiated under Section 14 of the SARFAESI Act against them by our Company. The matter is currently pending before the Dwarka Court, New Delhi.

14. Sumehak Bansal has filed a petition against our Company before the Punjab and Haryana High Court under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings initiated by our Company under Section 25 of the Payment and Settlement Act, 2007. The matter is currently pending before the Punjab and Haryana High Court.

15. Ramesh Chand Bachani has filed a petition against our Company before the Punjab and Haryana High Court under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings initiated by our Company under section 25 of the Payment and Settlement Act, 2007. The matter is currently pending before the Punjab and Haryana High Court.

16. Prabhat Kumar has filed a criminal miscellaneous petition before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 seeking annulment of the summoning order passed by the lower court in a complaint filed under Section 25 of the Payment and Settlement Act, 2007,

initiated by our Company. The matter is currently pending before the Punjab and Haryana High Court.

17. Vijay Pratap Singh has filed a criminal miscellaneous petition before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 seeking quashing of the summoning order passed by the lower court in a complaint filed under Section 25 of the Payment and Settlement Act, 2007, initiated by our Company. The matter is currently pending before the Punjab and Haryana High Court.

18. Indrashis Singh has filed a criminal miscellaneous petition before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 seeking quashing of the summoning order passed by the lower court in a complaint filed under Section 25 of the Payment and Settlement Act, 2007, initiated by our Company. The matter is currently pending before the Punjab and Haryana High Court.

19. Rachit Katyal and Orbit Foods Inc. have filed a criminal miscellaneous petition before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 seeking annulment of the summoning order passed by the lower court in a complaint filed under Section 25 of the Payment and Settlement Act, 2007 in favour of our Company. The matter is currently pending before the Punjab and Haryana High Court

20. Ranjeet Bhardwaj filed a transfer application under Section 408 of the Code of Criminal Procedure, 1973 before the District & Session Court, Gurugram seeking permission to transfer all the cases arising from his home loan account to one court. The matter is currently pending before the District & Session Court, Gurugram.

21. Raghbir Singh has filed criminal applications against our Company before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings under Section 25 of the Payment and Settlement Act, 2007, initiated by our Company before the court of the 1st Class Judicial Magistrate, Gurugram. The matter is currently pending before the Punjab and Haryana High Court.

22. Subhash T. Gopalkrupa has filed a petition under Section 482 of the Code of Criminal Procedure, 1973 for quashing a first information report filed against him dated April 18, 2023. The first information report was filed by our Company under Section 174-A of the Indian Penal Code, 1860 at the Shivaji Nagar, Gurugram police station, initiated under the Negotiable Instruments Act. The matter is currently pending before the court.

23. Ashok has filed a criminal revision application before the Sessions Court, Gurugram against the summoning orders passed by Judicial Magistrate, Gurugram in relation to the complaints filed under Section 25 of Payment and Settlement Act, 2007 by our Company. The matter is currently pending before the Sessions Court, Gurugram.

24. Shri Adithya B. has filed a case before PMLA Court Delhi against PG Infrastructure and Services Private Limited. IIHFL is the Performa party in this case. The loan has been closed in this case. We have submitted our reply.

25. Anil Jayadayal Taneja filed criminal applications against our Company before the Punjab and Haryana High Court at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings under Section 25 of the Payment and Settlement Act, 2007, initiated by our Company before the court of the 1st Class Judicial Magistrate, Gurugram. The matter is currently pending before the Punjab and Haryana High Court.

26. Geeta Yadav has filed criminal applications against IIHFL before the Punjab and Haryana High Court vide case No- CRM-M No 52652 of 2023 at Chandigarh under Section 482 of the Code of Criminal Procedure, 1973 for quashing proceedings under Section 25 of the Payment and Settlement Act, 2007, initiated by IIHFL before the court of the 1st Class Judicial Magistrate, Gurugram. The matter is currently pending before the Punjab and Haryana High Court.

27. An FIR 408/2023 u/s 420 / 406 of the Indian Penal Code was registered upon the complaint of Subodh Sanghi ("Borrower") at the Chaitanyapuri Police station against India Infoline Home Finance Limited and its Directors, R. Venkataraman & S Sridhar. The matter is under investigation.

28. A criminal revision dated December 7, 2023 was filed by Mahendra Pal Singh before Sessions Court Budaun against Nirmal Jain and others ("Accused"), challenging the order passed by lower court wherein the lower court dismissed the application filed by Mahendra Pal Singh under section 156(3) of CrPC praying for registration of FIR against the Accused. We appeared in this case. The matter is currently pending.

29. An FIR 0485/2024 dated September 11, 2024 was registered upon the complaint of Sanjiv Kumar (borrower) at Police Station Madhav Nagar against Tej Singh and Mukesh employee of IIFL Home Finance Limited, alleged that his loan tenure and ROI was increased suddenly. The matter is under investigation. We are trying to settle the issues.

30. A case bearing OC no. 2321/2024 having case title Deputy Director, Directorate of Enforcement, New Delhi Versus M/s Monarch Universal Life-space Pvt. Limited. and Ors, wherein we are the defendant number 17. We

have filed an application / reply in this case against Provisional Attachment Order No. 04/2024 dated May 10,2024 in ECIR/MBZO-II/12/2019. This property is mortgaged with our Company through LAN- 744252 The matter is pending before the PMLA Court, Delhi. The matter is currently pending adjudication.

Actions Taken by Regulatory and Statutory Authorities against our Company

Except as stated below, there are no actions initiated against our Company by statutory or regulatory authorities, as on the date of this Shelf Prospectus:

1. A show cause notice was served by National Housing Bank ("NHB") to IIFL Home Finance Limited ("Company") dated January 10, 2018, that the Company had not complied with the provisions of paragraph 6 of the Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, as the NCDs issued during the financial year 2015-16 were extinguished within a period of 12 months from the date of issue.

   The Company in its reply dated January 16, 2018, submitted that the two transactions relating to extinguishment of NCDs within 12 months from the date of issue had occurred inadvertently while improving the cost of funds of the Company. The Company has not received any further communication on this matter.

2. A show cause notice was served by National Housing Bank ("NHB") to IIFL Home Finance Limited ("Company") dated July 7, 2020. The show cause notice pertained to the non-compliance with the Auditor's Report (NHB) Directions, 2016 ("Directions"). The notice observed that the HFC failed to include a statement on the matters as stated in HFCs- Auditors Report Directions, 2016 in the auditors' report on accounts of the Company for Financial Year 2018-19.

   The Company in its reply dated July 30, 2020, mentioned that the observation made by NHB was not found in their initial supervisory letter dated January 16, 2020. It was further submitted that pursuant to requirement of Para 2 of Housing Finance Companies- Auditor's Report (NHB) Directions, 2016, Statutory Auditors of the Company have submitted a 'separate report to the Board of Directors of the Company on the matters specified in Para 3 and 4' of the subject Directions along with the Auditors report. The Company has not received any further communication on this matter.

3. A show cause notice was served by National Housing Bank ("NHB") to IIFL Home Finance Limited ("Company") dated September 17, 2020. The show cause notice pertained to the non-compliance Policy Circular 55. The notice alleged that the rate of interest was reduced by the Company on case-to-case basis either based on customer request or it was proactively offered by the Company to select customers. The company has therefore adopted a non-transparent approach for the change in the interest rates. This was stated to contravene the provision of Policy Circular 55 which provides that revision in the rates of interest with individual borrowers as against to an entire class, would render the accounts to be classified as re-negotiated or rescheduled accounts.

   The Company in its reply dated February 11, 2021 mentioned that the observation made by NHB had not considered the Para 3 read with Para 2 of the Circular No. 55, that a loan account shall only be classified as rescheduled or renegotiated only when the repayment capacity of the borrower is adversely effected and the reset of rate of interest (in case of a floating rate of interests) leads to extension in payment tenure. It has also been clarified that in case of reduction of rate of interest for good customers, there will be no extension or deferment of EMIs in case of reduction of rate of interest as mentioned in Circular No. 55.

II. Litigation involving our Subsidiary.

Nil

III. Litigation involving our Directors.

Except as disclosed in other sections of this chapter, the following are the litigations involving our directors.

Criminal Litigation by our Directors

As on the date of this Shelf Prospectus, there are no proceedings initiated by our Directors.

Criminal Litigation against our Directors

1. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against our director Nirmal Bhanwarlal Jain and ex-employees of ICSL ("Accused Persons") under Sections 406, 420 and 464 of the IPC, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the Complaint, the Chief Judicial Magistrate, passed an order for issuance of process on July 25, 2011. The Accused Persons filed a petition before the Allahabad High Court on April 7, 2014 ("Petition") for quashing the aforesaid order of the Chief Judicial Magistrate. The Allahabad High Court vide its order dated April 22, 2014 admitted

the Petition and stayed the proceedings before the Chief Judicial Magistrate, Meerut. The case is presently pending before the Allahabad High Court for hearing.

2. A complaint was received by ICSL on December 9, 2012 filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against our directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and Nilesh Vikamsey ("Accused Persons") under Sections 406 and 120B of the IPC, alleging inter-alia, forgery and criminal conspiracy and certain offences under the Companies Act, 1956. Pursuant to the complaint, the Court passed an order for issuance of process on June 16, 2014. The Accused Persons filed a writ petition dated April 10, 2015 before the Calcutta High Court for quashing of the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court passed an order and the certified copy of the order was received by us on June 18, 2015 staying the proceedings before Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal. The Calcutta High Court dismissed the Revision. Against the said Order, the Company has filed an SLP before Supreme Court, the same is pending. Further, Dilip Vaidya has filed a Quashing Petition before Kolkata High Court and a stay has been granted.

3. A FIR no. 0143 dated August 2, 2019 was filed by Vinay Jain (Complainant) before economic offences wing, Delhi against Nirmal Bhanwarlal Jain, Venkataraman Rajamani and other persons ("Accused") under Sections 420, 465, 468, 471 and 120B of the IPC. The Police concluded the investigation and filed the closure report.

4. Criminal complaint having case number 42830/2016, 40882/2016 & 42868/2016 was filed by GHCL Employee Stock Option Trust (GHCL ESOP) against IIFL Capital Services Limited (formerly known as IIFL Securities Limited), its directors and others before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi. IIFL Securities vide its letter dated April 30, 2008 informed GHCL ESOP of a debit outstanding ₹10.48 crore and existence of lien on certain shares purchased by it using the demat account maintained by GHCL ESOP with IIFL Capital Services Limited (formerly known as IIFL Securities Limited). GHCL ESOP alleged that the outstanding amount is incorrect and that in place of refunding the difference amount, IIFL Securities allegedly asked to clear the debits of other company failing which IIFL securities illegally sold of certain shares belonging to GHCL ESOP. The Company filed a quashing petition before High Court, Delhi. The Court has stayed the proceedings. The matter is currently pending.

5. A complaint dated September 30, 2013 ("Complaint") was lodged by Pankaj Saraf, an investor in National Spot Exchange Limited ("NSEL"), at the MRA Marg Police Station Mumbai against NSEL and other brokers, including IICL, alleging inter-alia, criminal conspiracy, fraud and criminal breach of trust, under Sections 406, 420 and 120B of the Indian Penal Code, 1860. Basis the Complaint, the economic offences wing Mumbai ("EOW"), lodged a first information report against the Accused ("FIR"). In this matter, EOW has filed its final chargesheet on December 2, 2022. Post this, NSEL and Arvind Bahl, IICL client moved an application to implead Nirmal Jain as an accused. MPID Court vide its Order allowed the application and issued the summons. Against, the said order, Nirmal Jain preferred an appeal before High Court, Mumbai, the stay is granted by the Hon'ble HC against the said order. The matter is pending for hearing.

6. Manju Rajesh ("Complainant") filed a criminal complaint bearing number C.M.P. No. 1479/2018 dated November, 30 2018 before the Learned Judicial Magistrate First Class, Chenganoor ("Complaint"), against IIFL and its director Nirmal Jain under Section 190 of the Code for Criminal Procedure, 1973 levelling charges under Section 420 and 34 of the Indian Penal Code, 1860 alleging cheating for not returning gold. IIFL and its director Nirmal Jain is contesting the said Complaint and Quashing petition bearing number 1 of 2018 under section 482 of the Cr.P.C. has been filed Before the Hon'ble High Court of Kerala at Ernakulam, wherein by an interim order dated December 3, 2018, all further proceedings in the said complaint have been stayed. The matter is matter is adjourned and the interim relief is extended until further orders.

7. A first information report (FIR) has been filed under section 106, 42, 445, 409 and 120(b) of the Indian Penal Code, 1860 read with section 7, 9 and 13 of the Prevention and Corruption Act by Sunil Shinde, on behalf of Ultra Space Developers Pvt Limited, JVPD One Builder LLP Wadhawan Lifestyle Retail Private Limited Wadhawan Retail Private Limited And Wadhawan Holdings Private Limited And RKW Developers Private Limited (Complainant Companies), against IIFL Facilities, IIFL Finance and its directors at Chembur police station alleging that IIFL along with IIFL Facilities has illegally transferred and sold the properties mortgaged by the Complainant Companies as security cover for the loan. Quashing petitions have been filed by IIFL entities and their directors before the Bombay High Court and are currently pending adjudication.

8. A first information report (FIR) was registered upon the compliant of Dr. Muneer Gazi ("Complainant") at Boisar Police station under sections 409,420, 467, 471 read with section 34 against IIFL Finance Limited, Nirmal Jain, Venkatararaman Rajamani and others. The Complainant alleged that the Complainant owns certain parcel of land in Palghar and entered into a development agreement with one Goldstar Realtors to develop the said land and subsequently, Goldstar Realtors entered into an arrangement with respect to the said land with one said JE

Marketing. Further JE Marketing availed a secured loan facility from IIFL Finance against the said land. The Complainant further alleges that they had terminated the arrangement with Goldstar Realtor thus nullifying the arrangement between JE Marketing and Goldstar Realty rendering the symbolic possession of the land under SARFAESI invalid. Quashing petition has been filed in Bombay High Court by IIFL Finance.

9. A criminal complaint having compliant number 811/ 2022 was filed by ex-employee Sekendar Ali Shah against Nirmal Jain and Ors before the Additional Chief Judicial Magistrate, Durgapur for non-issuance of reliving letter by IIFL Finance. The matter is currently pending before the court.

10. A Criminal Complaint Cr No.1018/2022 was filed by Shailesh Shridhar Kadam before the Judicial Magistrate First Class, District- Thane Court NDOH-10/06/2024. This complaint was filed by Advocate Shailesh Sridhar on the basis of defamation, but after the police investigation IIFL, Nirmal Jain and Rohit Sharma have been found not guilty. Investigation is closed, investigation report is yet to be filed by investigation officers.

Civil Litigation by our Directors

As on the date of this Shelf Prospectus, there are no proceedings initiated by our Director.

Civil Litigation against our Directors

1. A commercial suit admitted on January 19, 2017 was filed by Harish Thawani a client of National Spot Exchange Limited ("NSEL"), before the Bombay High Court ("Court"), against India Infoline Commodities Limited ("IICL") its directors and ICSL, IIFL Holdings Limited (now IIFL Finance Limited), and its directors, including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. IICL filed its written statement before the Court and the matter is pending for hearing. The litigation includes Nirmal Jain, Arun Purwar and Nilesh Vikamsay and the claim is valued at ₹ 16.43 crore.

2. A commercial suit dated July 19, 2016 was filed by Vishvanidhi Dalmia, a client of National Spot Exchange Limited ("NSEL"), before the Bombay High Court ("Court"), against India Infoline Commodities Limited ("IICL"), its directors, employees including the chairman of IIFL Holdings Limited (now IIFL Finance Limited) and NSEL, claiming (a) an amount of ₹11.38 crore from the date of filing of the present suit till payment. It was also prayed for interim/ad-interim relief (b) pending hearing and final disposal appropriate orders for injunction restraining IICL from directly or indirectly assign, selling, mortgage, creating any third party on movable and immovable assets (c) injunction restraining IICL from using ₹ 11.38 Crore without the leave of the court (d) independent audit or investigating agency like forensic audit to examine the affairs of IICL (e) order and direction to IICL to pay any amount realized from NSEL and to preserve all the records of the relevant period. Further, Nirmal Jain is also an interested party and the total amount involved in the matter is ₹ 11.38 Crore. IICL received the summons on September 12, 2018. The matter is yet to be admitted.

3. A Company petition 237 (MB)/2021 has been filed by Amit Mavi against IIFL Finance seeking investigation in the affairs of IIFL Finance Limited, forensic audit to be conducted into the accounts of IIFL Finance, conduct and inspection and audit into the accounts of the IIFL group entities. No reliefs have been granted. and the matter is pending before the tribunal.

4. Purnima Chaudhary ("Petitioner") has filed a contempt petition under Section 12 of The Contempt of Courts Act 1971, at the High Court of Delhi, New Delhi in respect of the Plot No. C Community Center, Anand Vihar, Delhi ("Shop Property"). It was alleged that some of the respondents have started to demolish the Shop Property which has in turn interfered with the lawful and peaceful possession of the same allowed vide order dated July 7, 2018 and the actions of the respondents is in contravention of the same. The matter is currently pending in court for hearing.

Actions Taken by Regulatory and Statutory Authorities against our Directors

Nil

IV. Material litigation or legal or regulatory actions involving our Promoter as on the date of this Shelf Prospectus

Material Civil Litigations involving IIFL Finance Limited as determined by its board of directors. Except as disclosed in other sections of this chapter, the following are the litigations involving our Promoter.

Material Civil Litigations by our Promoter

1. Company application nos.222/2019 to 227/2019 dated May 22, 2019 were filed by IIFL Finance Limited before the High Court, Bombay ("**Court**") against Shree Urban Infrastructure Limited to seek leave of this Hon'ble Court under Section 446 of the Companies Act, 1956 to file proceedings against the Company i.e. Shree Ram Urban Infrastructure Limited, before this Hon'ble Court thereby seeking specific performance of the Agreement for sale

of the premises. The Company Applications are currently on stay as Corporate Insolvency Resolution Process ("**CIRP**") has commenced against Shree Urban Infrastructure Limited and claims filed by the Company.

2. A petition under Section 9 of the Arbitration and Conciliation Act ('Act') has been filed by IIFL ('**Petitioner'**) against Praful Satra ('**Respondent'**) before the hon'ble Delhi High Court. The Petitioner, before the hon'ble court, claimed for an interim relief in the form of an injunction from creating rights against the properties of the Respondent. The High Court, via order dated May 24, 2021, directed the Petitioner to approach the Arbitration tribunal under Section 17 of the Act for claiming interim reliefs. The matter is *sine die* adjourned due to personal insolvency proceedings initiated against the Respondent.

3. A Composite Scheme of Arrangement amongst IIFL Holdings Limited, India Infoline Media & Research Services Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), IIFL Wealth Management Limited, India Infoline Finance Limited and IIFL Distribution Services Limited and their respective shareholders ("**Composite Scheme of Arrangement**"), was sanctioned by NCLT, Mumbai by an order dated 7th March 2019, on which, IIFL Finance Limited ("IIFL") was required to pay stamp duty. Upon submission of the sanctioned Composite Scheme of Arrangement to the Additional Controller of Stamps for adjudication, the Collector of Stamps issued a demand notice for ₹ 75.11 crore towards stamp duty dated 10th January 2022 and thereafter confirmed the demand on 3rd February 2022. IIFL filed an Appeal before the Chief Controlling Revenue Authority which was rejected vide order dated 12th September 2022 and issued a Demand Notice dated 3rd October 2022. Subsequently, IIFL by way of a Writ Petition No. 12202 of 2022 filed before the Bombay High Court challenged the said Order dated 12th September 2022 and Demand Notice dated 3rd October 2022. The matter is currently pending in court.

4. Our Company has filed an arbitration petition against Best View Properties Limited, the guarantor to the borrower company, AVJ Developers (India) Private Limited ("**Borrower**"). Another arbitration petition has been filed by our Company against Vinay Jain, the proprietor of the Borrower. The Borrower had obtained a credit facility from our Company which subsequently was classified as a non-performing asset by our Company due to defaults by the Borrower. The arbitration petition is for recovery of a claim amounting to ₹246.28 crore. The matter is currently pending.

Material Civil Litigation against our Promoter

1. Rakesh Sheth ("Petitioner") had filed a public interest litigation on January 21, 2019 against SEBI, the Ministry of Corporate Affairs, Serious Fraud Investigation Office and India Infoline Finance Limited before the High Court of Madras. The Petitioner had stated that India Infoline Finance Limited is set to raise ₹ 2000 crore via retail bonds and since India Infoline Finance Limited Commodities Limited (an associate company of India Infoline Finance Limited with common shareholders and common directors) is an accused in the NSEL scam case, India Infoline Finance Limited should not be allowed to access funds from the market. The matter is currently pending.

2. NCLT Case no CP/153/2017 was filed by Dnyaneshwar S. Malvankar and Ors. of Akshay Developers Sion Pvt Limited (ADSPL), before the NCLT Mumbai against mismanagement and oppression by majority shareholders of ADSPL. NCLT imposed a stay on ADSPL from discharging any liability towards our Company vide order dated May 1, 2017. Currently, the matter is pending before the authority.

3. A company appeal was filed by Vinay Jain before National Company Law Appellate, Delhi ("NCLAT") against our Company seeking setting aside of the order passed by NCLT, New Delhi wherein, the direction regarding the handing over the property back to AVJ Developers (India) Private Limited obtained pursuant to SARFAESI proceedings initiated by our Company was dismissed and the admission of the outstanding dues amounting to ₹134.15 crore under the insolvency proceeding of AVJ Developers (India) Private Limited was granted. The said matter is currently reserved for orders. AVJ Heights Apartment Owners Association and Vinay Jain have filed civil appeals under Section 62 of the Insolvency and Bankruptcy Code, 2016, before the Supreme Court of India seeking against the admission of a claim amounting to ₹134.15 crore under the insolvency proceeding of AVJ Developers (India) Private Limited. The said matters are pending before the Supreme Court of India.

Criminal Litigation by our Promoter

1. IIFL Finance Limited ("**IIFL**") in the ordinary course of business, in relation to its home loan/loan against property portfolio, has lodged the first information report dated November 16, 2015 against Uttam Kr. Asrani for cheating under various sections - 420,406,463,464,467,468,471, 120B of Indian Penal Code, 1860. The matter is pending for further investigation by the concerned officers. Chargesheet has been filed by the I.O.

2. IIFL Finance Limited ("**IIFL**") filed an appeal bearing No. 3085/2019 admitted on June 24, 2019 before the PMLA Appellate Tribunal, Delhi against the order passed by the Adjudicating Authority (PMLA Tribunal). In this matter, the Enforcement Directorate has attached the property which is mortgaged with India Infoline Finance Limited and India Infoline Finance Limited challenged the before the PMLA Appellate Tribunal. In this mater,

India Infoline Finance Limited initiated SARFAESI proceedings due to the alleged non-repayment of ₹1.32 crore in relation to a loan availed by the Borrower (Arvind Casting). India Infoline Finance Limited is contesting the matter and the matter is pending before the PMLA Appellate Tribunal, Delhi.

3. A Complaint having Complaint number 77 of 21 was filed with the Economic Offence Wing by our Company against M/s Shattaf Construction Company and Shrenik Siroya for misusing the money sum disbursed to them and illegally selling the units of the mortgaged property without our consent. Currently, an FIR having reference number 0970 of 2021 has been registered under section 403, 420 and 120B in relation to the same. Here, the matter is pending for further investigation.

Criminal Litigation against our Promoter

1. In relation to our gold loan portfolio, 6 first information reports have been lodged by various borrowers against our Company for offences under Sections *inter alia* 34, 120B, 294, 406, 409, 418, 420 of Indian Penal Code, 1860. The said matters are under investigation by various police stations and pending trials

Cases filed by the Promoter under Section 138 of the Negotiable Instruments Act, 1881

1. Our Promoters have filed 8098 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881 and/or Section 25 of the Payment and Settlement Systems Act, 2007 for dishonour of cheques / electronic clearing system in various courts. The cases are pending before various courts at various stages of adjudication.

Gold Loan cases

1. In relation to our gold loan portfolio, IIFL Finance Limited has lodged 120 first information reports ("**FIR**") against various borrowers and other persons for offences under Sections 395, 405, 406, 409, 415, 419, 420, 441, 447, 467, 468, 471, 120(b), 156(3) and 34 of Indian Penal Code, 1860,. The said FIRs are under investigation by various police stations and pending trials.
2. In relation to our gold loan portfolio, IIFL Finance Limited has filed 19 proceedings against defaulting customers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques, in various courts. The matters are pending before various courts at various stages of adjudication.

Regulatory proceedings against our Promoter

1. A direction dated July 17, 2018 was received by our Company from Pension Fund Regulatory and Development Authority ("**PFRDA**"), listing out the required actions to be complied with, in regard to pending amount of ₹0.07 crore by the subscribers' deposits with our Company as registered point of presence for National Pension Scheme as on March 31, 2018. In this regard, IIFL Finance Limited ("**IIFL**") had transferred The un-reconciled balance payment as on date to PFRDA account. Also, IIFL is in the process of initiating the closure of HDFC bank account, once the account is closed, the Company will update the PFRDA and process the de-registration process.
2. Investigations Department of SEBI has by way of a letter dated June 7, 2022 ("**Letter**") directed us to provide certain specific information and documents with respect to suspected insider trading activities, including (amongst others) (a) chronology of events in relation to declaration of financial results for the period ended December 31, 2020 on January 29, 2021; (b) details of all persons who were involved in the process of/ having access to unpublished price sensitive information vis-a-vis the aforesaid financial results; (c) all relevant documentary evidence with respect to communications with members of board of directors for the period August 31, 2020 to May 3, 2021; (d) details of all on market and off market trades undertaken by the directors, promoters, key managerial personnel, compliance officer of the Company and their family members during the period August 31, 2020 to May 3, 2021; (e) relationship of Company and/or any of its Promoters/ Directors/ employees or any other person with the entities as mentioned in the letter issued by SEBI, etc. Each of these requests were responded by our Company to SEBI in July 2022. Our Promoter has and would respond to any further queries from SEBI.
3. An inspection of IIFL Finance Limited was carried out by the RBI with reference to our financial position as on March 31, 2023, wherein certain material supervisory concerns were observed by the RBI in respect to the gold loan portfolio of our Company, including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default; breaches in Loan-to-Value ratio; significant disbursal and collection of loan amount in cash far in excess of the statutory limit; non-adherence to the standard auction process; and lack of transparency in charges being levied to customer accounts, etc. Pursuant to press release and order dated March 4, 2024, RBI had directed our Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/selling any of its gold loans. Our Company could, however, continue to service its existing gold loan portfolio through usual collection and recovery processes. These supervisory restrictions were reviewed upon completion of a special audit instituted by the RBI and after rectification by the company of the special audit findings and the findings of RBI Inspection, to the

satisfaction of RBI. Subsequently, RBI through its communication dated September 19, 2024 lifted the aforesaid restrictions with immediate effect and permitted the Company to resume sanction, disbursal and assignment / securitisation / sale of gold loans in accordance with the extant laws / regulations.

V. Litigation involving group companies

(a) *IIFL Samasta Finance Limited (IIFL Samasta)*

Material Civil Litigations involving IIFL Samasta Finance Limited as determined by the board of directors of IIFL Samasta Finance Limited i.e., above ₹11.36 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving IIFL Samasta Finance Limited.

Material Civil Litigation by IIFL Samasta

Nil

Material Civil Litigation against IIFL Samasta

Nil

Criminal Litigation by IIFL Samasta

1. IIFL Samasta Finance Limited has lodged 280 first information reports with amount involving about INR 4.26 crore, inter alia, including fraud against employees and various other persons for offences under sections 395, 405,406, 409, 415, 419, 420, 441, 447, 467, 468, 471, 120(b) and 34 of Indian Penal Code, 1860. The matters are currently pending investigation at various police stations.
2. Criminal appeal has been filed by IIFL Samasta Finance Limited before the Karnataka High Court under section 378(4) of the Code of Criminal Procedure, 1973. The appeal has been against Shwetha ("Customer") with case No 624/2024 with amount involved of ₹ 0.022 crore. The appeal is against the acquittal order by the lower court in section 138 case under the Negotiable Instruments Act, 1881. The cheque drawn by the Customer against the dues got bounced and the lower court has erred in the judgement to consider the default amount and liability, hence the appeal has been filed.

Cases filed by ISFL under Section 138 of the Negotiable Instruments Act, 1881

1. IIFL Samasta Finance Limited has filed 1263 proceedings against various borrowers under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheques at various courts. The aggregate of claim amounts filed is approximately ₹ 20.66 crore. The matters are pending before the courts at various stages of adjudication.

Actions Taken by Regulatory and Statutory Authorities against our Company

Nil

(b) *IIFL Facilities Services Limited*

Material Civil Litigations involving IIFL Facilities Services Limited as determined by board of directors of their promoter, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) i.e., above ₹5.34 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving IIFL Facilities Services Limited.

Material Civil Litigation against IIFL Facilities Services

1. A civil suit bearing number 613/2017 was filed on October 12, 2017 by Abhijit Kabir (Plaintiff) against Siddhivinayak Constructions Pvt. Limited (Defendant No. 1) and others including IIFL Facilities Services Limited (formerly known as Ultra Sign & Display Pvt. Limited – Defendant No. 15) before the High Court of Bombay praying that: i) to grant a decree and order of specific Siddhivinayak Construction Pvt Limited performance of MOU dated August 17, 2013, executed by and between the Plaintiff and the Defendant No. 1 for a sum of ₹ 15.43 crore/- along with the interest @ 24% pa from date of filing of suit till payment or realization; ii) to pass an order and decree declaring the Plaintiff's charge over the properties; iii) to pass an order and decree of perpetual injunction restraining the Defendant No. 1 to 13; iv) to pass an order and decree against Defendant No. 13 to handover the vacant and peaceful possession of Penthouse-A; v) to cancel and set aside the Agreement for Sale dated October 16, 2014 in relation to Penthouse-B; vi) an order and decree of perpetual injunction restraining the Defendant No. 1 to 14; vii) to cancel and set aside the agreement for sale dated October 16, 2014 in relation to Penthouse-B; vii) an order and decree of perpetual injunction restraining the Defendant No. 1, 14 & 15 for acting upon agreement for sale dated October 16, 2014; viii) to pass an order and decree against Defendant No. 15 to handover the vacant and peaceful possession of Penthouse-B; ix) to direct the Defendant No. 1 to 9 to produce various documents of Defendant No. 1 etc. The matter is currently pending before the court.

2. Amit Mavi filed company petition before National Company Law Tribunal, Mumbai against IIFL Facilities Services Limited & others seeking the accounts and affairs of the Company be investigated by an Inspector appointed under Companies Act, 2013. The matter is currently pending before tribunal.

Criminal Litigation against IIFL Facilities Services Limited

Nil

Material Civil Litigation by IIFL Facilities Services Limited

Nil

Criminal Litigation by IIFL Facilities Services Limited

1. A Criminal Writ Petition bearing number 4321/2022 was filed on October 19, 2022 by IIFL Facilities Services Limited & Ors. against State of Maharashtra & Sunil Shinde before High Court of Bombay, praying that: i) to issue appropriate writ directing the Chembur Police Station, Mumbai to produce records of MECR No. 03/2022 dated May 14, 2022 registered under section 406, 420, 445, 453, 120B of Indian Penal Code & under section 7, 9 & 13 of P. C. Act, 1988 before the Hon'ble Court; ii) to quash and set aside the MECR against the Petitioners; iii) to quash and set aside the order dated May 09, 2022 passed by the Ld. Addl. Metropolitan Magistrate, Kurla; iv) pending the hearing & final disposal of the present petition, all further investigation be stayed against the Petitioners; v) pending the hearing & final disposal of the present petition the High Court may be pleased to the Respondent not to take any coercive action & not to file charge sheet the Petitioners etc. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities against IIFL Facilities Services Limited

Nil

(c) ***IIFL Management Services Limited***

Material Civil Litigations involving IIFL Management Services Limited as determined by board of directors of their promoter, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) i.e., above ₹5.34 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving IIFL Management Services Limited.

Civil Proceeding by IIFL Management Services Limited (IMSL)

Nil

Civil Proceeding against IIFL Management Services Limited (IMSL)

Nil

Criminal proceedings by IIFL Management Services Limited (IMSL)

Nil

Criminal proceedings against IIFL Management Services Limited (IMSL)

Nil

(d) ***360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)***

Material Civil Litigations involving 360 ONE WAM Limited are as determined by its board of directors pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e., above ₹ 33.99 crore. The following are the litigations involving 360 ONE WAM Limited.

Material Civil Litigations against 360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)

Nil

Criminal Litigations against ***360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)***

Nil

Material Civil Litigations by ***360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)***

Nil

Actions Taken by Regulatory and Statutory Authorities against 360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)

Nil

(e) *IIFL Capital Services Limited (formerly known as IIFL Securities Limited) ("ICSL")*

Material Civil Litigations involving ICSL as determined by the board of directors of ICSL i.e., above ₹5.34 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving ICSL.

Civil Proceedings by ICSL

1. An arbitration application dated April 1, 2010 was filed by GHCL Employees Trust ("**GHCL**") before the NSE Arbitration Tribunal ("**Tribunal**") against ICSL, alleging unauthorized sale of shares by ICSL. The Tribunal partly passed an award ("**Award**") dated September 17, 2013 in favour of GHCL stating that: (i) GHCL was entitled to an interest of ₹5.22 lakh and ICSL was required to pay interest at the rate of 9% per annum from the date on which the arbitration started till the final payment is made. (ii) ICSL must retrieve the 856,466 shares which were sold on the NSE, failing which it should pay ₹4.16 crore to GHCL within 30 days of the Award; and (iii) 466,273 shares of GHCL with ICSL should be released to GHCL immediately or the present-day value of the same i.e., ₹1.41 crore should be paid to it. ICSL and GHCL filed applications ("Applications") dated May 13, 2014 and May 20, 2014 respectively, before the Delhi High Court("Court") under Section 34 of the Arbitration and Conciliation Act, 1996, ("**Act**") challenging the Award. An application was filed by GHCL under Section 9 of the Act before the Court, seeking return the shares lying with NSE. The Court allowed the release of shares to GHCL subject to providing a bank guarantee by GHCL and the outcome of pending Applications. GHCL had also filed an application under Section 9 of the Act claiming voting rights and dividends in respect of the shares lying with NSE. The GHCL shares were deposited by ICSL with NSE in compliance with the award dated September 17, 2013 passed by Tribunal. The Court clubbed the Applications filed by GHCL as well as ICSL and directed the parties to file their respective written synopsis. The matters are pending for arguments. The claim is valued at approximately ₹5.63 crore as on the date of Award i.e., September 17, 2013, along with 9% per annum interest from the date of award till the actual payment. The matter is currently pending.
2. An application u/s section 9 of the Arbitration Act dated February 13, 2019 was filed by ICSL before the High Court, Mumbai ("**Court**") against Harshad Thakkar, claiming an amount of ₹30.29 crore for defaulting in the payment of outstanding dues. The Court was pleased to allow the application and issued an interim order. The Court issued an order of injunction on the pledged shares and also attachment order on all the properties disclosed in income tax returns. The matter is currently pending.

Civil Proceedings against ICSL

1. An arbitration application dated April 1, 2010 was filed by GHCL Employees Trust ("**GHCL**") before the NSE Arbitration Tribunal ("**Tribunal**") against ICSL, alleging unauthorized sale of shares by ICSL. The Tribunal partly passed an award ("**Award**") dated September 17, 2013 in favour of GHCL stating that: (i) GHCL was entitled to an interest of ₹5.22 lakh and ICSL was required to pay interest at the rate of 9% per annum from the date on which the arbitration started till the final payment is made. (ii) ICSL must retrieve the 856,466 shares which were sold on the NSE, failing which it should pay ₹4.16 crore to GHCL within 30 days of the Award; and (iii) 466,273 shares of GHCL with ICSL should be released to GHCL immediately or the present-day value of the same i.e., ₹1.41 crore should be paid to it. ICSL and GHCL filed applications ("Applications") dated May 13, 2014 and May 20, 2014 respectively, before the Delhi High Court("Court") under Section 34 of the Arbitration and Conciliation Act, 1996, ("**Act**") challenging the Award. An application was filed by GHCL under Section 9 of the Act before the Court, seeking return the shares lying with NSE. The Court allowed the release of shares to GHCL subject to providing a bank guarantee by GHCL and the outcome of pending Applications. GHCL had also filed an application under Section 9 of the Act claiming voting rights and dividends in respect of the shares lying with NSE. The GHCL shares were deposited by ICSL with NSE in compliance with the award dated September 17, 2013 passed by Tribunal. The Court clubbed the Applications filed by GHCL as well as ICSL and directed the parties to file their respective written synopsis. The matters are pending for arguments. The claim is valued at approximately ₹5.63 crore as on the date of Award i.e., September 17, 2013, along with 9% per annum interest from the date of award till the actual payment. The matter is currently pending.
2. Vinod Vengatteri filed an arbitration application before Arbitral Tribunal against IIFL Capital Services Limited (formerly known as IIFL Securities Limited) for claiming losses on account of square off the positions & damages for an amount of ₹18.71 crore. The Arbitral Tribunal vide its Award dated 15.02.2024 rejected, dismissed and not allowed the claim. Aggrieved by the order, Vinod Vengatteri filed application before District Court Thalassery against IIFL for setting aside the arbitration award.
3. An arbitration application dated August 25, 2015 was filed by Central Business Services Limited ("**CBSL**") along with Jain Industrial & Commercial Services Private Limited ("**JICSL**") (collectively, "**Claimants**") before a private arbitration tribunal ("**Tribunal**") against ICSL. A consolidated statement of claim ("**Claims**") for an amount of ₹26.33 crore along with interest thereon was filed before the Tribunal. An award dated October 3, 2018 ("**Award**") was received partly in favour of ICSL and partly in favour of CBSL. CBSL has filed an Arbitration

Application u/s 34 of the Arbitration Act before the High Court, Kolkata challenging the Award. The matter is currently pending.

4. A commercial suit dated January 19, 2017 was filed by Harish Thawani a client of National Spot Exchange Limited ("**NSEL**"), before the Bombay High Court ("**Court**"), against ISL, IIFL Commodities Limited, its directors and the directors of its group companies including its key managerial personnel and employees, alleging losses, refund of brokerage, warehouse charges, damages and legal costs. The claim is valued at ₹16.83. The matter is currently pending.

Criminal proceedings against ICSL

1. An arbitration application dated April 1, 2010 was filed by GHCL Employees Trust ("**GHCL**") before the NSE Arbitration Tribunal ("**Tribunal**") against ICSL, alleging unauthorized sale of shares by ICSL. The Tribunal partly passed an award ("Award") dated September 17, 2013 in favour of GHCL stating that: (i) GHCL was entitled to an interest of ₹5.22 lakh and ICSL was required to pay interest at the rate of 9% per annum from the date on which the arbitration started till the final payment is made. (ii) ICSL must retrieve the 856,466 shares which were sold on the NSE, failing which it should pay ₹4.16 crore to GHCL within 30 days of the Award; and (iii) 466,273 shares of GHCL with ICSL should be released to GHCL immediately or the present-day value of the same i.e., ₹1.41 crore should be paid to it. ICSL and GHCL filed applications ("**Applications**") dated May 13, 2014 and May 20, 2014 respectively, before the Delhi High Court ("**Court**") under Section 34 of the Arbitration and Conciliation Act, 1996, ("**Act**") challenging the Award. An application was filed by GHCL under Section 9 of the Act before the Court, seeking return the shares lying with NSE. The Court allowed the release of shares to GHCL subject to providing a bank guarantee by GHCL and the outcome of pending Applications. GHCL had also filed an application under Section 9 of the Act claiming voting rights and dividends in respect of the shares lying with NSE. The GHCL shares were deposited by ICSL with NSE in compliance with the award dated September 17, 2013 passed by Tribunal. The Court clubbed the Applications filed by GHCL as well as ICSL and directed the parties to file their respective written synopsis. The matters are pending for arguments. The claim is valued at approximately ₹5.63 crore as on the date of Award i.e., September 17, 2013, along with 9% per annum interest from the date of award till the actual payment. The matter is currently pending.

2. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against ISL under Sections 406, 420 and 464 of the Indian Penal Code, 1860, alleging unauthorised trading, criminal breach of trust, cheating and forgery. Pursuant to the complaint, the Court, passed an order for issuance of process on July 25, 2011. ISL filed a Petition before the Allahabad High Court on April 7, 2014 ("petition") for quashing the order of the Court. The petition was admitted and the Allahabad High Court vide its order dated April 22, 2014 stayed the proceedings before the Chief Judicial Magistrate, Meerut. The matter is currently pending before the Allahabad High Court.

3. A complaint dated November 23, 2011 was filed by Seema Bulsara ("**Complainant**") with the Economic Offence Wing ("**EOW**"), Mumbai, and the first information report was lodged against Mukti Laheri and 'unknown officials' of ICSL, alleging unauthorized trading. A charge sheet was filed by the EOW, Mumbai before the 19th Court, Esplanade, Mumbai against Mukti Laheri and Manish Kumar, an ex-employee of ICSL. Further, a supplementary charge sheet ("**Supplementary Charge Sheet**") was filed by EOW, Mumbai against ICSL on April 17, 2015. The matter is currently pending.

4. A criminal complaint dated May 25, 2013 was filed by Ravindra Kumar Thakur before Chief Judicial Magistrate, Bhagalpur, Bihar against ICSL and others, alleging, inter alia, criminal breach of trust, cheating and forgery under sections 406, 417, 420, 467, 468 & 471 of Indian Penal Code, 1860. A summons dated May 04, 2019 was received by ICSL on May 08, 2019. The matter is currently pending.

5. A criminal revision dated October 12, 2022 was filed by Vivek Prakash Khanna before Sessions Court Gurugram against IIFLSL and others, challenging the order passed by lower court wherein the lower court dismissed the application filed by Vivek Prakash Khanna under section 156(3) of CrPC praying for registration of FIR against the Accused. A notice dated January 17, 2023 was received by IIFLSL on February 7, 2023. The matter is currently pending.

6. Criminal complaint having case number 42830/2016, 40882/2016 & 42868/2016 was filed by GHCL Employee Stock Option Trust (GHCL ESOP) against IIFL Securities Limited, its directors and others before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi. IIFL Securities vide its letter dated April 30, 2008 informed GHCL ESOP of a debit outstanding ₹10.48 crore and existence of lien on certain shares purchased by it using the demat account maintained by GHCL ESOP with IIFL Securities Limited. GHCL ESOP alleged that the outstanding amount is incorrect and that in place of refunding the difference amount, IIFL Securities allegedly asked to clear the debits of other company failing which IIFL securities illegally sold of certain shares belonging to GHCL ESOP. The Company & its directors filed a quashing petition before High

Court, Delhi. The Court has stayed the proceedings, the matter is pending.

7. A first information report dated October 12, 2012 ("**FIR**") was lodged by Mohinder Singh ("**Complainant**") at the Moti Nagar Police Station, New Delhi against ICSL under Sections 420 and 120B of the Indian Penal Code, 1860, alleging unauthorised trading and cheating. A notice was received from the police directing ICSL to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the police.
8. A first information report dated March 19, 2014 was lodged by Devender Mohan Singh Negi ("**Complainant**") at the Moti Nagar Police Station, New Delhi, against ICSL, under Sections 420, 468, 471, 406, 34 and 120B of the Indian Penal Code, 1860, alleging unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police directing ICSL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided by ICSL. No further communication received from the police.
9. A first information report dated May 20, 2014 ("**FIR**") was lodged by Renu Jain ("Complainant") at the Moti Nagar Police Station, New Delhi, against ICSL under Sections 406, 420 and 468 of the Indian Penal Code, 1860 for unauthorised trading and cheating, forgery and criminal breach of trust. The notice received from the police in respect of the FIR directing ICSL to provide the details of the transactions of the Complainant along with the supporting documents and the same has been provided. No further communication received from the police.
10. A first information report lodged by Rohit Kumar Singh at the PS - Phase 3, Gautambudh Nagar, Police Station. Noida, against IIFLSL, under Sections 420, 468, 471, 406, 467 and 120B of the Indian Penal Code, 1860, alleging unauthorized trading and cheating, forgery and criminal breach of trust. The Notice received from the Police directing ICSL to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided. No further communication received.
11. A first information report lodged by Renu Tiwari at the Sidhari PS, Azamgarh UP, against FAN - Brijesh Maurya and IIFLSL, under Sections 419,420 and 409 of the Indian Penal Code, 1860, alleging unauthorized trading and cheating, forgery and criminal breach of trust. The Notice received from the Police directing ICSL to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided. No further communication received.
12. A first information report bearing number 76/2015 ("**FIR**") was lodged by Mohit Gujral ("Complainant") at the Economic Offences Wing ("EOW"), New Delhi against ICSL under Sections 405, 120B, 420 and 120B of the Indian Penal Code, 1860, alleging unauthorised trading, cheating and criminal breach of trust. A notice was received from the EOW to provide the details of the transactions of the Complainant along with the supporting documents. The same has been provided by the Complainant. No further communication received from the EOW.
13. Muralidhar Vyas has filed four petitions u/s 482 of Cr.P.C. before High Court of Delhi against IIFL Capital Services Limited (formerly known as IIFL Securities Limited) & Ors. seeking quashing of the summoning order passed by the Trial Court for the offence u/s 138 of NI Act.

Criminal proceedings by ICSL

1. Criminal complaint having case number 42830/2016, 40882/2016 & 42868/2016 was filed by GHCL Employee Stock Option Trust (GHCL ESOP) against IIFL Securities Limited, its directors and others before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi. IIFL Securities vide its letter dated April 30, 2008 informed GHCL ESOP of a debit outstanding ₹10.48 crore and existence of lien on certain shares purchased by it using the demat account maintained by GHCL ESOP with IIFL Securities Limited. GHCL ESOP alleged that the outstanding amount is incorrect and that in place of refunding the difference amount, IIFL Securities allegedly asked to clear the debits of other company failing which IIFL securities illegally sold of certain shares belonging to GHCL ESOP. The Company & its directors filed a quashing petition before High Court, Delhi. The Court has stayed the proceedings, the matter is pending.
2. A complaint dated March 7, 2008 was filed by ICSL before the Metropolitan Magistrate's Court, Tis Hazari, Delhi, against Kuldeep Singh and Surender Kumar, Ex-employees, for theft and criminal conspiracy under sections 120A and 379 of Indian Penal Code, 1860. The matter is currently pending.
3. A complaint dated February 25, 2013 was filed by ICSL before Chief Judicial Magistrate Court, Pune against Devdutt Musale a former employee of ICSL, for, the offences of criminal breach of trust, cheating and forgery. The matter is currently pending.
4. A complaint dated November 2, 2007 was filed by ICSL before the Metropolitan Magistrate Court, Ahmedabad against Ragvendra Singh (former employee), Harsh Dinesh Kaushik (former employee) for offences of, cheating

and criminal breach of trust for carrying out unauthorized trading in a client account. The matter is currently pending.

5. A complaint was filed by ICSL before Police Station PS Kotwali, Bharatpur, Rajasthan against Mukesh Kuntal ("Accused") for the offences of, cheating, forgery and theft. Thereafter, a first information report ("FIR") was registered against the Accused. The FIR is presently being investigated by the police.
6. A complaint was filed by ICSL before Civil Line Police Station, Amritsar against Pankaj Ohri ("Accused") for the offences of, cheating, forgery and theft. Thereafter, a first information report ("FIR") was registered against the Accused. The FIR is presently being investigated by the police.
7. A complaint dated May 20, 2011 was filed by ICSL before Gautam Buddha Nagar Police Station, Uttar Pradesh against Mohd. Tariq ("Accused") for the offences of cheating and forgery of documents. Thereafter, a first information report ("FIR") was registered against the Accused. The FIR is presently being investigated by the police.
8. A complaint dated December 23, 2015 was filed by ICSL before Kothrud Police Station, Pune against Ashpak Hamid Sayyad, Rakesh Natwarlal Solanki, Kalpesh Kantilal Waghela, Prabhat Bhura Patel, ex- employees of ICSL ("Accused") for the offence of cheating and forgery of documents. Thereafter, a first information report ("FIR") was registered against the Accused. The FIR is presently being investigated by the police.
9. A complaint dated February 24, 2022 was filed by ICSL before Chief Judicial Magistrate Arrah Bihar for praying for directions to the police to lodge a complaint against Shalini Jain ("Accused") for the offences under section 406, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860. The matter is currently pending.
10. A FIR is lodged on April 5, 2022 by ICSL before Birsa Nagar Police Station, Jamshedpur, Patna against Anand Rao ("Accused") for the offences under section 420, 467, 468, 471 of the Indian Penal Code, 1860. The matter is currently pending.
11. An application was filed by ICSL before Patiala House Court, New Delhi against Naresh Kumar & Rohit Kumar Singh, u/s. 156 (3) of Cr. PC. for the offences of criminal breach of trust, cheating and forgery. The matter is currently pending.

Cases filed by ICSL under Section 138 of the Negotiable Instruments Act, 1881

1. ICSL has filed 20 proceedings against defaulting customers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques, in various courts. The aggregate of claim amounts filed by ICSL are approximately ₹ 43.50 crore. The matters are pending before various courts at various stages of adjudication.

Other material pending litigation involving ICSL

1. A demand notice dated June 5, 2014 ("Notice") was received by ICSL from the Rajasthan Stamp Office, demanding payment of stamp duty for the period commencing from September 2007 to March 2012, in relation to the trades carried out by ICSL's clients residing in the state of Rajasthan. ICSL, through its reply dated June 21, 2014, stated that the stamp duty with respect to the trades was paid to the State of Maharashtra as the central office of ICSL is located in Mumbai and contract notes were issued to the clients from the Mumbai office. Aggrieved by the notice, ICSL filed a writ petition before Rajasthan High Court on in April 25, 2015, requesting it to quash the notice. The matter has not been listed and is presently pending before the Rajasthan High Court.
2. IIFL ("Petitioner") filed a writ petition numbered 1650 of 2012 ("Writ") dated January 27, 2012 before the High Court of Madhya Pradesh ("Jabalpur High Court") against the State of Madhya Pradesh ("Respondent") under Article 226 of the Constitution of India ("Constitution") challenging the demand notice dated December 1, 2012 issued by the State of Madhya Pradesh seeking to levy stamp duty on the transactions done by the clients of the Petitioner through their trading accounts. The contention raised by the Petition is that unless there is a provision made under the relevant act, no demand for payment of stamp duty in such transaction can be made. The Madhya Pradesh High Court passed an order dated February 10, 2012 directing that no coercive steps be taken against the petitioner till further consideration of the interim prayer. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities against IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

1. SEBI conducted an inspection of IIFL Capital Services Limited (formerly known as IIFL Securities Limited) in the periods of February 2014 and March 2017. In relation to this, SEBI issued: (i) SEBI Adjudication Notice dated October 28, 2021 based on the inspection conducted during February 2014 covering period from 2011 to 2014 in respect of segregation of clients' funds, (ii) SEBI Adjudication Notice dated October 28, 2021 based on the inspection conducted during March 2017 covering period from April 01, 2015 to January 31, 2017 in respect of segregation of clients' funds, (iii) SEBI Enquiry notices dated May 2, 2017 and October 28, 2021 issued

based on the inspection conducted during February 2014 (for the period from 2011 to 2014) and March 2017 (period from April 01, 2015 to January 31, 2017) in respect of segregation of clients' funds respectively. The SEBI notice alleged that IIFL Capital Services Limited (formerly known as IIFL Securities Limited) had failed segregate its own funds from clients' funds; misused credit balance of clients' funds for debit balance clients' funds; and had not designated the client bank account appropriately. Consequently, SEBI passed the Adjudication Order on May 20, 2022 and levied a penalty of Rs 1 Crore on the Company. Further, SEBI passed the Adjudication Order on May 30, 2022 and levied a penalty of Rs 1 Crore on the Company. In respect of both the above matters, the Company filed an appeal before SAT and the SAT vide its order dated July 18, 2022 stayed the proceedings and directed the company to deposit an amount of ₹ 50 lacs within 6 weeks from the date of the said Order with SEBI. In respect of Enquiry matter, SEBI vide Order dated June 19, 2023 prohibited company from taking up/onboarding new client for a period of two years in respect of its business as a stock broker. The Company filed an appeal before Securities Appellate Tribunal on June 20, 2023 aggrieved by the said Order. SAT vide its order dated December 07, 2023 passed the common order and partly allowed the appeals and set aside the ban from taking new clients for a period of two years and reduced penalty to ₹ 20 lacs. SEBI preferred an appeal before the Supreme Court, the same is pending.

2. SEBI conducted a joint inspection for the period of September 2022. The initial Inspection Report was issued dated October 11, 2022 alleged that IIFL Capital Services Limited (formerly known as IIFL Securities Limited) had (i) not conducted a periodic reconciliation of client securities lying in DP accounts with Back office holdings; had reported incorrect quantity in Weekly Holding Submission; (iii) had not closed demat account tagged as "Client Collateral" by August 31, 2020; (iv) had transferred securities to Client Unpaid Securities Account of even those clients who have credit balance in their funds ledger as on 31st July 2022; (iv) Non Settlement of client funds and Securities; (v) Reporting and Short collection of Margin; (vi) Passing of Penalty on Short Reporting of Margin; (vii) Reporting of incorrect ledger balance in Daily Margin Statement sent to clients; (viii) Exposure limit breached towards MTF at aggregate level; (ix) Incorrect reporting under ERBS; (x) Engaged in Fund based activity other than broking activity; (xi) Engaged as a principal or employee in a business other than of securities involving personal financial liability. SEBI issued 2 SCNs (Enquiry & Adjudication) dated April 15, 2024 for the inspection period April 2021 to July 2022. The reply to the SEBI SCN submitted provided detailed clarification with supporting. The matter was heard on July 5, 2024. SEBI passed the Adjudication Order on August 21, 2024 levying a penalty of Rs 11 lakhs on IIFL Capital Services Limited (formerly known as IIFL Securities Limited). Order on the Enquiry SCN is awaited.

3. SEBI has issued a notice of summary settlement dated June 14, 2024, in relation to the role played by IIFL Capital Services Limited (formerly known as IIFL Securities Limited) in handling various public issues of Non-Convertible Debt Securities between August 9, 2021 to November 30, 2023.The initial Inspection Report was issued dated February 21, 2024 alleging; (i) violation of Regulation 28(3) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and (ii) Regulations 13 read with Clause 3 and 4 of Schedule III of SEBI (Merchant Bankers) Regulation, 1992.

   Vide its Notice dated June 14, 2024, ("**Notice**") SEBI has intimated that subject Regulation 5 of the SEBI (Settlement Proceeding) Regulations, 2018 the aforesaid proceedings to be initiated may be settled and disposed of upon filing of a settlement application under Chapter-II of SEBI (Settlement Proceedings) Regulations, 2018 upon remittance of a settlement amount of INR 19,20,000/- to SEBI in terms of Regulations 16 of SEBI (Settlement Proceeding) Regulations , 2018 within 30 calendar days from the date of receipt of the Notice. IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has filed settlement application with SEBI. The matter is currently pending.

(f) ***360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited) ("360 ONE")***

Material Civil Litigations involving 360 ONE Prime Limited are as determined by their board of directors i.e., above ₹12.35 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving 360 ONE Prime Limited.

Material Civil Litigations against 360 ONE

Nil

Criminal Litigations against 360 ONE

Nil

Material Civil Litigations by 360 ONE

Nil

Material Criminal Litigations by 360 ONE

Nil

Actions Taken by Regulatory and Statutory Authorities against 360

Nil

(g) ***Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)***

Material Civil Litigations involving Livlong Insurance Brokers Limited are as determined by the board of directors of IIFL Capital Services Limited (formerly known as IIFL Securities Limited) i.e., above ₹5.34 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving Livlong Insurance Brokers Limited.

Material Civil litigations by Livlong Insurance Brokers Limited

1. Golden Falcon Industries Limited filed an Arbitration Application before Sole Arbitrator at Delhi against Livlong Insurance Brokers Limited and IIFL Housing Finance Limited, for possession of premises and claimed for sum of ₹ 13,60,95,871/- towards use and occupational charges, ₹ 7,289,200/- towards damages. The Arbitrator vide its Award dated 23.10.2023, partly allowed the claim of ₹ 11,61,50,000/- towards mesne profit and ₹ 17,50,000/- towards cost with interest thereon in favour of Golden Falcon Industries Limited. Aggrieved by the Award, Livlong filed an Application before Delhi High Court u/s. 34 of Arbitration Act. Thereafter, Livlong deposited an amount of ₹ 15,40,65,875/- in Delhi High Court as per directions. The matter is pending before Delhi High Court for hearing.

Material Criminal litigations against Livlong Insurance Brokers Limited

1. A first information report bearing no. 25/2015 dated September 16, 2015 ("FIR") was lodged by Ravindra Nath Gangele at the Cyber and Hi-Tech Crime Police Station, Bhopal, against IIIBL alleging mis-selling of insurance. IIIBL has replied to the notice and requisition received from the police in connection with the FIR and no further communication has been received.

(h) ***Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)***

Material Civil Litigations involving Livlong Protection & Wellness Solutions Limited are as determined by the board of directors of IIFL Capital Services Limited (formerly known as IIFL Securities Limited) i.e., above ₹5.34 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving Livlong Protection & Wellness Solutions.

Material Civil Litigations against Livlong Protection & Wellness Solutions Limited

Nil

Criminal Litigations against Livlong Protection & Wellness Solutions Limited

Nil

Material Civil Litigations by Livlong Protection & Wellness Solutions Limited

Nil

Material Criminal Litigations by Livlong Protection & Wellness Solutions Limited

Nil

Actions Taken by Regulatory and Statutory Authorities against Livlong Protection & Wellness Solutions Limited

Nil

(i) ***5Paisa Capital Limited***

Material civil litigations against 5Paisa Capital Limited

1. Mr. Amit Bhauso Patil, a client of 5Paisa had filed a complaint with NSE under complaint number NSE-SB-2024-07-384856 wherein he had claimed for ₹ 52.71 lakh. A conciliation meeting was held on August 22, 2024 wherein the claim of the complainant was dismissed by the conciliator appointed by the Jupitice ODR and challenging the same client has moved to Arbitration wherein we have submitted the statement of defense and the Arbitration hearing has also been held through video conferencing on the Jupitice ODR and the matter is reserved for Arbitration Award.
2. In the Writ Petition No. (L) 17978 of 2023 Registration No. WP 2350 of 2023, in the case of Venkataraman Rajamani vs. Securities & Exchange Board of India, the Respondent was in receipt of a notice from SEBI whereby it was pointed out by SEBI that the Applicant (one of our promoters) is disqualified under the Fit & Proper Criteria.

The Applicant as per the regulation of SEBI will be required to divest his holdings within 6 months from the date of disqualification. The Applicant filed the petition against SEBI and also made party to 5paisa Capital Limited the said notice and us seeking interim reliefs in this matter. Further, vide order dated 6th July 2023 court has granted interim stay on compliance with the SEBI's directions. Matter is pending for Admission.

3. Original suit O.S./5966/2024 – Aravind Tambad (Ex – Employee) has instituted a Money Suit against 5paisa Capital Limited and has claimed a total of ₹ 2,69,50,000/- towards compensation for the proclaimed loss resulting out of 1) Quitting job with Paytm Money + 2) Annual CTC of Plantiff Mr. Aravind Tambad for wrongful termination and loss of opportunity cost and declaring the termination as illegal, null and void. Next date of hearing is scheduled on 19th November 2024.

Material civil litigations by 5Paisa Capital Limited

1. Writ Petition No. (L) 9115 of 2024 was filed by 5Paisa Capital Limited against Multi Commodity Exchange of India Limited ("**MCX**"), before the Hon'ble Bombay High Court as against the impugned email communication dated March 14, 2024 from MCX. Matter was heard by the Hon'ble Bombay High court and vide order dated March 15, 2024 it has accepted the statements made on behalf of the respondent that the communication dated March 14, 2024 (from MCX to 5Paisa Capital Limited.) will not be given effect to and accordingly matter has been disposed of.

2. Appeal No. 388 of 2024 by 5paisa Capital Limited against Multi Commodity Exchange of India Limited. before Securities Appellate Tribunal: MCSGFC of MCX vide its order dated July 01, 2024 had imposed a restriction on on-boarding of new clients for a period of 14 days from the date of receipt of the order (taking into account that the member has already been directed not to on-board new clients for a day on March 15, 2024) and a consolidated monetary penalty of ₹ 2,59,75,000/- in terms of the exchange circulars. In furtherance to the above, the company had filed an appeal against the said order before Hon'ble Securities Appellate Tribunal ("SAT"). In this regard, SAT has passed an order on July 05, 2024, granting a stay on the operation of the impugned order of MCX dated July 01, 2024 subject to deposit of 50% of the penalty amount i.e. ₹ 1,30,00,000/- (Rupees One Crore Thirty Lakhs Only) within one week. The Company has promptly deposited the abovementioned amount with MCX and the restriction, so imposed has been revoked across Exchanges. Next date in the Hearing is tentatively scheduled on 13th November' 2024 (Currently not updated on SAT Site).

Actions Taken by Regulatory and Statutory Authorities against 5Paisa Capital Limited

1. SEBI conducted a thematic joint inspection with exchanges regarding a technical glitch from the period of April 2022 to October 2023. Post inspection, MCX had issued a SCN which was followed by an action of restraining further registration of clients for a period of 15 days. Since an opportunity of being heard was not given in the said matter, a writ petition was filed by the company. MCX withdrew the matter in the court and confirmed that they would withdraw the action initiated. Accordingly, the action was withdrawn. A personal hearing was held before the Committee of the Exchange on March 27, 2024. Final action letter was received from MCX on July 1, 2024. The action taken involves: (i) Monetary penalty of Rs 2.59 crores and (ii) Restrain on new client on-boarding for 14 days. Aggrieved by the said order, the Company approached SAT for interim relief for a stay on the said order which was duly granted by SAT. Hearing was scheduled on September 17, 2024 which is now further postponed. We have been asked to submit a rejoinder within a period of 4 weeks. Next hearing date in SAT appeal is scheduled on November 13, 2024. The matter is currently pending.

2. SEBI issued a Show Cause Notice dated May 13, 2024 in the matter of Trading in MCX by Sikkim Based Clients. Penalties amounting to ₹ 2 Lakh was imposed by SEBI in the said matter on July 30, 2024. We have made the payment of penalty to SEBI within the given timelines. The matter is currently closed.

3. SEBI issued a Show Cause Notice dated July 31, 2024 alleging the violations observed during the joint inspection which was scheduled in the month of January 2024. SEBI imposed a penalty of ₹ 8,00,000/- (Rupees Eight Lakhs Only) for the same vide its order dated October 31, 2024.

4. SEBI issued a Show Cause notice regarding 5paisa's association with Trade Tron Algo Platform. Currently we are in process of preparing the detailed response to the show cause notice.

(j) ***360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)***

Material Civil Litigations involving 360 One Distribution Services Limited as determined by the board of directors of 360 One WAM Limited i.e., above ₹33.99 crore. Except as disclosed in other sections of this chapter, the following are the litigations involving 360 One Distribution Services Limited.

Material Civil Litigations against 360 One Distribution Services Limited

Nil

Criminal Litigations against 360 One Distribution Services Limited

Nil

Material Civil Litigations by 360 One Distribution Services Limited

Nil

Material Criminal Litigations by 360 One Distribution Services Limited

Nil

Actions Taken by Regulatory and Statutory Authorities against 360 One Distribution Services Limited

Nil

VI. Taxation

Details of tax proceedings against our Company, our Promoters and the group companies:

Our Company

Please see below the table setting out details of tax proceeding against our Company.

(₹ in crores)

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
IIFL Home Finance Limited	1	2	7.28	0.95

1. The assessing officer has disallowed various expenses under section 143(3) read with section 144B of the Income Tax Act. The total impact of such disallowance amount to ₹7.28 crore.
2. The company has received order from Delhi GST Authorities raising demand amount to ₹0.36 crore plus interest & penalty aggregating to ₹0.76 crore for the reversal of input tax credit under rule 42 of the CGST Act, 2017 for period July 1, 2017 to March 31, 2018. The Company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.
3. The company has received order from Delhi GST Authorities raising demand amount to ₹ 0.10 crore plus interest & penalty aggregating to ₹0.19 crore for non-reversal of 50% ineligible reverse charge input tax credit, for period April 1, 2019 to March 31, 2020. The company is in the process of filing an appeal against the order of the GST authorities before the GST Commissioner Appeals.

Our Group Companies

Please see below the table setting out details of tax proceeding against our group companies:

(₹ in crores)

Sr No.	Entity	No. of Cases		Amount Involved	
		Direct	Indirect Tax	Direct Tax	Indirect Tax
1.	360 One Prime Limited *(formerly known as IIFL Wealth Prime Limited)*	2	0	21.42	0
2.	360 One WAM Limited *(formerly known as IIFL Wealth Management Limited)*	4	4	13.59	5.78
3.	360 One Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	2	1	1.78	0.62
4.	IIFL Samasta Finance Limited	0	1	Nil	0.12
5.	IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	6	7	63.74	58.17
6.	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	1	1	2.65	0.30
7.	IIFL Management Services Limited	Nil	Nil	Nil	Nil

1. IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has filed its return of income for the AY 2019-20 (FY 2018-19) declaring total income of ₹ 2,03,50,04,282/-. CPC while processing the return has erroneously not considered TDS and Advance Tax transferred from IIFL Finance Limited (earlier known as IIFL Holdings Limited) due to merger. The Company has filed a rectification application and is hopeful of getting demand nullified.

2. IIFL Capital Services Limited (formerly known as IIFL Securities Limited)'s income tax return for Assessment Year 2021-22 underwent scrutiny under Computer Aided Scrutiny Selection, resulting in notices under sections 143(2) and 143(3). The assessing officer made additions to the income declared section 143(1) as under:

   (i) ₹ 3,80,39,862/- for alleged discrepancies in reporting of personal expenditures in the tax audit report and the income tax return;

   (ii) ₹ 16,25,802/- for alleged discrepancies in reporting capital expenditures; and

   (iii) ₹ 22,93,62,256/- disallowed deduction claimed u/s 80M pertaining to dividend income.

   The company filed an appeal to the Commissioner of Income Tax (CIT) regarding this matter.

   (i) Under the service tax regime, the company appealed to the CESTAT Mumbai for an outstanding demand amounting to ₹ 14,25,83,837/-. The dispute concerns with exempt services provided to Non-Residents (Foreign Institutional Investors - FIIs) which the department has challenged. Following investigations and correspondence, Show Cause Notice No. 1358/COMMR/2014-15 dated 19th September 2014 was issued, demanding service tax totaling ₹ 19,99,17,698/- covering the period from 01.07.2012 to 31.03.2014, along with interest under section 75 and penalty under section 76 of the Act.

   (ii) The Directorate General of Central Excise Intelligence (DGCEI) issued notice demanding ₹33,88,80,575/- to the company regarding the delayed payments charges for extending credit facilities for the period from April 2014 to March 2016. These charges were classified as interest on outstanding client dues and were clearly disclosed in client account statements. The company did not treat these charges as taxable services which was challenged by the department. The company has lodged an appeal against this order with CESTAT Delhi.

Our Promoter

Please see below the table setting out details of tax proceeding against our Promoter:

(₹ in crore)

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
IIFL Finance Limited (earlier known as "IIFL Holdings Limited)	9	4	65.94	68.72
India Infoline Finance Limited (now merged with IIFL Finance Limited)	5	7	20.01	38.91

1. IIFL Finance Limited ("earlier known as "**IIFL Holdings Limited**") has earned exempt income i.e. dividend during the period AY 2010-11 to AY 2020-21, being 8 different assessment years. The assessing officer has disallowed expenses in proportionate to the exempt income earned as per Section 14A of Income Tax Act by applying Rule 8D of Income Tax Rules. The total tax impact of such disallowance amounts to ₹ 48.93 crore. Our Company has filed the appeal against such disallowances made under Section 14A of the Income Tax Act and the matters are pending for disposal before various Income Tax Appellate Authorities. In AY 2021-22, the assessing officer has disallowed ESOP expense and deduction claimed u/s 80M, the tax impact of such disallowance is ₹ 17.00 crore. IIFL has filed an appeal against these disallowances.

2. In the similar line, India Infoline Finance Limited now (now merged with IIFL Finance Limited), has earned exempt income i.e. dividend during the period AY 2012-13 to AY 2018-19, being 6 different assessment years. The assessing officer has disallowed expenses in proportionate to the exempt income earned as per Section 14A of Income Tax Act by applying Rule 8D of Income Tax Rules. The total tax impact of such disallowance amounts to ₹ 20.01 crore Our Company has filed the appeal against such disallowances made under Section 14A of the Income Tax Act and the matters are pending for disposal before various Income Tax Appellate Authorities.

3. The Show Cause Notice. No. 1358/COMMR/2014-15 dated September 19, 2014 has been issued to the Company demanding Service Tax amounting to ₹ 17.79 crore plus interest & penalty aggregating to ₹ 53.80 crore as on March 31, 2024 for the period July 1, 2012 to March 31, 2014 on the Brokerage Income earned from FII Clients considering the same as taxable income. However, the Company has treated such Brokerage Income as an exempt income while filling its service tax return. The Department has confirmed the said service tax demand on such FII Brokerage by issuing the Order No. 143-144/COMMR/(Dr. KNR)/CGST&CEX/MC/2018-19 dated January 10, 2019. The Company has litigated the said addition & has filed an appeal against the order of the Service Tax authorities before the CESTAT Mumbai. The matter is pending for disposal before CESTAT Mumbai.

4. The Show cause notice. F No. 06/COMMR/ST-III/2015-16 dated April 7, 2016 has been issued to the Company demanding Service Tax on the Exchange Transaction charges earned by the Company during period April 1, 2007

to May 13, 2008 amounting to ₹ 2.86 crore plus interest & penalty aggregating to ₹14.44 crore as at March 31, 2024 considering it as a taxable transaction and not as a pure agent service. The department has confirmed the said demand of Exchange Transaction Charges by issuing an order. The Company has litigated the said addition and filed an appeal against the Order of the Service Tax authorities before the CESTAT Mumbai. The matter is pending for disposal before CESTAT Mumbai.

5. The Show Cause Notice. C. No. V(H)Adj-I/ST/140/2012/2077 dated September 19, 2015 has been issued to the company by Sriganganagar, Rajasthan Jurisdiction demanding Service Tax on the Exchange Transaction charges earned by the Company during the period April 2007 to March 2012 April 1, 2007 to May 13, 2008 amounting to ₹ 0.05 crore plus interest & penalty aggregating to ₹ 0.26 crore as at March 31, 2024 considering it as a taxable transaction. The department has confirmed the said demand of Exchange Transaction Charges by issuing an Order. The Company has litigated the said addition and filed an appeal against the Order of the Service Tax authorities before the Commissioner Appeal, Rajasthan. The matter is pending for disposal.

6. The company has received order from Andhra Pradesh GST Authorities raising a demand of ₹ 0.44 crore plus interest for the gap in the turnover reported in GSTR-1 vs GSTR-3B during the period July 1, 2017 to March 31, 2019 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.

7. The company has received order from Maharashtra GST Authorities raising a demand of ₹ 0.07 crore plus interest & penalty aggregating to ₹0.15 crore for the input tax credit related issues during the period July 1, 2017 to March 31, 2018 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.

8. The company has received order from Karnataka GST Authorities raising a demand of ₹ 0.27 crore plus interest & penalty aggregating to ₹0.30 crore for the gap in GSTR-1 vs GSTR-3B for the period September 2019 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.

9. The company has received order from Telangana GST Authorities raising a demand of ₹ 0.02 crore plus interest & penalty aggregating to ₹0.03 crore for the gap in GSTR-1 vs GSTR-3B for the period July 1, 2017 to March 31, 2018 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.

10. The company has received order from Uttar Pradesh GST Authorities raising a demand of ₹ 0.08 crore plus interest & penalty aggregating to ₹0.09 crore for the gap in GSTR-1 vs GSTR-3B for the period July 1, 2017 to March 31, 2018 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company has litigated such demand and filed an appeal against the order of the GST authorities before the GST Commissioner Appeals. The matter is pending for disposal.

11. The company has received order from Delhi GST Authorities raising a demand of ₹ 0.11 crore plus interest & penalty aggregating to 0.22 crore for the gap in Short payment of forward charge & reverse charge liability, non-reversal of input tax credit under rule 42 of the CGST Act, 2017 and non-reversal of ITC availed on account of cancelled dealer or return defaulter for the period April 1, 2019 to March 31, 2020 in the case of IIFL Finance Limited. The Company is in the process of filing an appeal against the order of the GST authorities before the GST Commissioner Appeals.

12. The company has received order from Maharashtra GST Authorities raising a demand of ₹ 17.31 crore plus interest & penalty aggregating to ₹ 35.56 crore for Short payment of forward charge & reverse charge liability and excess availment of input tax credit for the period April 1, 2019 to March 31, 2020 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company is in the process of filing an appeal against the order of the GST authorities before the GST Commissioner Appeals.

13. The company has received order from Tamil Nadu GST Authorities raising a demand of ₹ 1.21 crore plus interest & penalty aggregating to ₹ 2.35 crore for non-reversal of input tax credit under rule 42 of the CGST Act, 2017, Under declaration of ineligible input tax credit and availment of input tax credit on account of cancelled and non-filer for the period April 1, 2019 to March 31, 2020 in the case of India Infoline Finance Limited (now merged with IIFL Finance Limited). The Company is in the process of filing an appeal against the order of the GST authorities before the GST Commissioner Appeals.

VII. Details of acts of material frauds committed against our Company in the last three financial years and current financial year, if any, and if so, the action taken by our Company

In accordance with the Master Directions – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, the Audit Committee of our Company monitors and reviews all frauds involving an amount of ₹1 crore or more. There have been no acts of material frauds, i.e., frauds involving an amount of ₹1 crore or more, committed against our Company in the last three financial years and current financial year.

There have been instances of fraud (more than ₹1 lakh), which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company from financial year beginning from April 01, 2021 till November 25, 2024.

The list of material frauds against the Company in the last three fiscals and current financial year:

For the current year as on November 25, 2024	For the year ended March 31, 2024	For the year ended March 31, 20223	For the year ended March 31, 2022
Nil	Nil	Nil	Nil

The total amount involved in all acts of fraud committed against our Company is set forth below:

S. No.	Year	Gross Amount (₹ in crore)	Committed by	Modus Operandi	Recovery (₹ in crore)	Provisions (₹ in crore)	Action Taken by the Company
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

VIII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues, delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year.

Our Company confirms that there has been no default in repayment of statutory dues; delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year.

IX. Summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of issue of this Shelf Prospectus and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.

Our Company confirms that there was no modification i.e., unmodified opinion given by Erstwhile Joint Statutory Auditors on in their audit report for Fiscal 2022, 2023 and 2024 except that the auditors for the relevant years have included certain emphasis of matters ('**EOM**') in their respective reports on the audited financial statements issued for the 2022 and 2023. However, the said EOM did not lead to any modification/qualification. For details, please see "*Risk Factors - Our erstwhile joint statutory auditors had included certain emphasis of matter in the auditor's report on the audited standalone financial statements and audited consolidated financial statements as at and for year ended March 31, 2022*" on page 30 and "*Risk Factors - Our erstwhile joint statutory auditors have reported a statement on certain matters specified in Companies (Auditors Report) Order, 2020 ("the Order") as an annexure to the main audit report in respect of Audited Consolidated Financial Statements for Fiscal 2024 and Audited Standalone Financial Statements for Fiscal 2024 and with respect to their auditors report under heading legal and regulatory requirements in the erstwhile joint statutory auditor's audit report in respect of the Audited Consolidated Financial Statements for Fiscal 2024 and Audited Standalone Financial Statements for Fiscal 2024, which were prepared and modified, which may affect our future financial statements*" on page 31.

X. Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the issue document against the promoter of the company.

Apart from the litigations disclosed herein and under '*Actions Taken by Regulatory and Statutory Authorities against our Company*', there are no other legal action pending or taken by a government department or a statutory body or regulatory body during the three years immediately preceding the year of the issue against our Promoter.

1. A notice dated December 2, 2020 was issued under Rule 4 of (Procedure for Holding Inquiry And Imposing Penalties By Adjudicating Officer) Rules, 1995 was issued) against the Promoters & Promoter Group ("Promoters") to show cause against alleged violation of provisions of Regulation 3(1) read with Regulation 13(1) and 13(2)(a) of SAST Regulation. The Promoters responded with a reply dated December 19, 2020 contending that there was no such violation since Regulation 3(1) would be attracted if there is an entitlement to exercise voting rights of 25% or more and if the entitlement to exercise voting rights does not touch 25%, the charging provisions would not be attracted. Therefore, when an acquirer acquires, or even for that matter, "agrees to acquire", the underlying contractual obligation or the intention of the impending contract ought to be the acquisition of an entitlement to voting rights of 25% or more. In the instant case, there was no intention or agreement to acquire an entitlement to voting rights of 25% or more. A computational error led to the instruction to the broker for purchase of shares. No sooner than the error was discovered, it was ensured that the threshold to exercise voting rights of 25% or more never came about, by timely selling of existing shares. Therefore, the entitlement to exercise voting rights in the hands of the promoter group never reached the threshold of 25% or more. It remained 24.99 % as was always the actual intent of the Promoters. At no point of time, either during a day or at the close of the register of beneficial ownership of shares on any day, did the Promoters ever cross the threshold of 25% and hence there was no question of Regulation 3(1) read with Regulation 13(1) and / or Regulation 13(2) being violated. Inspite of the above representation, an adjudication order dated March 28, 2022 was passed by SEBI against the Promoters imposing a penalty of ₹ 0.1 crore. The Promoters vide its letter dated May 09, 2022 respectfully disagreed with the findings and imposition of the said penalty, however the Promoters paid the said penalty with a view to moving forward constructively and putting this matter behind.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Prospectus contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the Shelf Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on July 29, 2024, the Board of Directors approved the issue of NCDs to the public up to an amount not exceeding ₹ 3,000 crore in one or more tranches. The Issue for an amount not exceeding ₹ 3,000 crores has been approved by the Finance Committee of the Board of our Company in its meeting dated September 30, 2024.

Further, the present Issue is within the borrowing limits of ₹ 35,000 crores under Sections 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the Extra- Ordinary General Meeting held on March 31, 2023.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or the Promoter and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a Director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors and/or our Promoter has been declared as fugitive economic offenders.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Shelf Prospectus.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on date of this Shelf Prospectus.

No regulatory action is pending against the issuer or its promoters or directors before the Board or the RBI.

Willful Defaulter

Our Company, and/or our Directors and/or our Promoter have not been categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI, ECGC or any government/regulatory authority. The issuer has not defaulted in payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which has been categorised as a wilful defaulter.

Other confirmations

None of our Company or our Directors or our Promoter, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Further, it is confirmed that:

i. Our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI;

ii. Our Company has a net worth of at least rupees five hundred crore, based on the audited balance sheet of the preceding financial year i.e., Fiscal 2024;

iii. Our Company has a consistent track record of operating profits for the last three financial years;

iv. No regulatory action is pending against the Issuer or our Promoters or Directors before the SEBI or the RBI;

v. securities to be issued have been assigned a rating of **not less than "AA-"** category or equivalent by a credit rating agency registered with SEBI;

vi. Our Company is not in default for:

   a. the repayment of deposits or interest payable thereon; or

   b. redemption of preference shares; or

   c. redemption of debt securities and interest payable thereon; or

   d. payment of dividend to any shareholder; or

   e. repayment of any term loan or interest payable thereon,

   in the last three financial years and the current financial year.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, TRUST INVESTMENT ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 27, 2024 WHICH READS AS FOLLOWS:

WITH RESPECT TO THE CAPTIONED, WE, THE LEAD MANAGERS TO THE ISSUE CONFIRM THAT:

1) **NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2) **ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OF THE ISSUE WILL BE GIVEN.**

3) **THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**

4) **ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER, EACH AS AMENDED, ARE COMPLIED WITH.**

WE CONFIRM THAT WE HAD NOT RECEIVED ANY COMMENTS ON THE DRAFT SHELF PROSPECTUS DATED SEPTEMBER 30, 2024 FILED WITH BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED. NATIONAL STOCK EXCHANGE OF INDIA LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER NO DCS/HB/PI-BOND/23/24-25 DATED OCTOBER 14, 2024 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: NSE/LIST/D/2024/0320 DATED OCTOBER 11, 2024 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THE ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THE ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THE ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUE MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.]

DISCLAIMER CLAUSE OF RBI

A COPY OF THIS SHELF PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS SHELF PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.

DISCLAIMER STATEMENT OF CRISIL

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A

RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. IIFL HOME FINANCE LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISIL.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800- 267-1301.

<u>DISCLAIMER STATEMENT OF INDIA RATINGS</u>

USERS OF IRRPL RATINGS SHOULD UNDERSTAND THAT NEITHER AN ENHANCED FACTUAL INVESTIGATION NOR ANY THIRD-PARTY VERIFICATION CAN ENSURE THAT ALL OF THE INFORMATION INDIA RATINGS RELIES ON IN CONNECTION WITH A RATING WILL BE ACCURATE AND COMPLETE. ULTIMATELY, THE ISSUER AND ITS ADVISERS ARE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION THEY PROVIDE TO INDIA RATINGS AND TO THE MARKET IN OFFERING DOCUMENTS AND OTHER REPORTS. IN ISSUING ITS RATINGS INDIA RATINGS MUST RELY ON THE WORK OF EXPERTS, INCLUDING INDEPENDENT AUDITORS WITH RESPECT TO FINANCIAL STATEMENTS AND ATTORNEYS WITH RESPECT TO LEGAL AND TAX MATTERS. FURTHER, RATINGS ARE INHERENTLY FORWARD-LOOKING AND EMBODY ASSUMPTIONS AND PREDICTIONS ABOUT FUTURE EVENTS THAT BY THEIR NATURE CANNOT BE VERIFIED AS FACTS. AS A RESULT, DESPITE ANY VERIFICATION OF CURRENT FACTS, RATINGS CAN BE AFFECTED BY FUTURE EVENTS OR CONDITIONS THAT WERE NOT ANTICIPATED AT THE TIME A RATING WAS ISSUED OR AFFIRMED. RATINGS ARE NOT A RECOMMENDATION OR SUGGESTION, DIRECTLY OR INDIRECTLY, TO YOU OR ANY OTHER PERSON, TO BUY, SELL, MAKE OR HOLD ANY INVESTMENT, LOAN OR SECURITY OR TO UNDERTAKE ANY INVESTMENT STRATEGY WITH RESPECT TO ANY INVESTMENT, LOAN OR SECURITY OR ANY ISSUER. RATINGS DO NOT COMMENT ON THE ADEQUACY OF MARKET PRICE, THE SUITABILITY OF ANY INVESTMENT, LOAN OR SECURITY FOR A PARTICULAR INVESTOR (INCLUDING WITHOUT LIMITATION, ANY ACCOUNTING AND/OR REGULATORY TREATMENT), OR THE TAX-EXEMPT NATURE OR TAXABILITY OF PAYMENTS MADE IN RESPECT OF ANY INVESTMENT, LOAN OR SECURITY. THE RATING AGENCY SHALL NEITHER CONSTRUED TO BE NOR ACTING UNDER THE CAPACITY OR NATURE OF AN 'EXPERT' AS DEFINED UNDER SECTION 2(38) OF THE COMPANIES ACT, 2013. INDIA RATINGS IS NOT YOUR ADVISOR, NOR IS INDIA RATINGS PROVIDING TO YOU OR ANY OTHER PARTY ANY FINANCIAL ADVICE, OR ANY LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. INVESTORS MAY FIND INDIA RATINGS TO BE IMPORTANT INFORMATION, AND INDIA RATINGS NOTES THAT YOU ARE RESPONSIBLE FOR COMMUNICATING THE CONTENTS OF THIS LETTER, AND ANY CHANGES WITH RESPECT TO THE RATING, TO INVESTORS.

<u>DISCLAIMER STATEMENT OF INDUSTRY REPORT PROVIDER (CRISIL MI&A)</u>

CRISIL MARKET INTELLIGENCE & ANALYTICS (CRISIL MI&A), A DIVISION OF CRISIL LIMITED, PROVIDES INDEPENDENT RESEARCH, CONSULTING, RISK SOLUTIONS, AND DATA & ANALYTICS TO ITS CLIENTS. CRISIL MI&A OPERATES INDEPENDENTLY OF CRISIL'S OTHER DIVISIONS AND SUBSIDIARIES, INCLUDING, CRISIL RATINGS LIMITED. CRISIL MI&A'S INFORMED INSIGHTS AND OPINIONS ON THE ECONOMY, INDUSTRY, CAPITAL MARKETS AND COMPANIES DRIVE IMPACTFUL DECISIONS FOR CLIENTS ACROSS DIVERSE SECTORS AND GEOGRAPHIES. CRISIL MI&A'S STRONG BENCHMARKING CAPABILITIES, GRANULAR GRASP OF SECTORS, PROPRIETARY ANALYTICAL FRAMEWORKS AND RISK MANAGEMENT SOLUTIONS BACKED BY DEEP UNDERSTANDING OF TECHNOLOGY INTEGRATION, MAKES IT THE PARTNER OF CHOICE FOR PUBLIC & PRIVATE ORGANISATIONS, MULTI-LATERAL AGENCIES, INVESTORS AND

GOVERNMENTS FOR OVER THREE DECADES.

FOR THE PREPARATION OF THIS REPORT, CRISIL MI&A HAS RELIED ON THIRD PARTY DATA AND INFORMATION OBTAINED FROM SOURCES WHICH IN ITS OPINION ARE CONSIDERED RELIABLE. ANY FORWARD-LOOKING STATEMENTS CONTAINED IN THIS REPORT ARE BASED ON CERTAIN ASSUMPTIONS, WHICH IN ITS OPINION ARE TRUE AS ON THE DATE OF THIS REPORT AND COULD FLUCTUATE DUE TO CHANGES IN FACTORS UNDERLYING SUCH ASSUMPTIONS OR EVENTS THAT CANNOT BE REASONABLY FORESEEN. THIS REPORT DOES NOT CONSIST OF ANY INVESTMENT ADVICE AND NOTHING CONTAINED IN THIS REPORT SHOULD BE CONSTRUED AS A RECOMMENDATION TO INVEST/DISINVEST IN ANY ENTITY. THIS INDUSTRY REPORT IS INTENDED FOR USE ONLY WITHIN INDIA.

DISCLAIMER STATEMENT FROM THE LEAD MANAGERS

THE LEAD MANAGERS ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT SHELF PROSPECTUS, THIS SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS SHELF PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THE DRAFT SHELF PROSPECTUS, THIS SHELF PROSPECTUS, RELEVANT TRANCHE PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK. OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGERS ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS SHELF PROSPECTUS OR IN THE ADVERTISEMENTS OR ANY OTHER MATERIAL ISSUED BY OR AT OUR COMPANY'S INSTANCE IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION INCLUDING OUR COMPANY'S WEBSITE, OR ANY WEBSITE OF ANY AFFILIATE OF OUR COMPANY WOULD BE DOING SO AT THEIR OWN RISK. THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY, SAVE TO THE LIMITED EXTENT AS PROVIDED IN THE ISSUE AGREEMENT. NONE AMONG OUR COMPANY OR THE LEAD MANAGERS OR ANY MEMBER OF THE SYNDICATE IS LIABLE FOR ANY FAILURE IN UPLOADING THE APPLICATION DUE TO FAULTS IN ANY SOFTWARE/ HARDWARE SYSTEM OR OTHERWISE; THE BLOCKING OF APPLICATION AMOUNT IN THE ASBA ACCOUNT ON RECEIPT OF INSTRUCTIONS FROM THE SPONSOR BANK ON ACCOUNT OF ANY ERRORS, OMISSIONS OR NON-COMPLIANCE BY VARIOUS PARTIES INVOLVED IN, OR ANY OTHER FAULT, MALFUNCTIONING OR BREAKDOWN IN, OR OTHERWISE, IN THE UPI MECHANISM.

INVESTORS WHO MAKE AN APPLICATION IN THE ISSUE WILL BE REQUIRED TO CONFIRM AND WILL BE DEEMED TO HAVE REPRESENTED TO OUR COMPANY, THE LEAD MANAGERS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES, AND REPRESENTATIVES THAT THEY ARE ELIGIBLE UNDER ALL APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE THE NCDS AND WILL NOT ISSUE, SELL, PLEDGE, OR TRANSFER THE NCDS TO ANY PERSON WHO IS NOT ELIGIBLE UNDER ANY APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE THE NCDS. OUR COMPANY, THE LEAD MANAGERS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES, AND REPRESENTATIVES ACCEPT NO RESPONSIBILITY OR LIABILITY FOR ADVISING ANY INVESTOR ON WHETHER SUCH INVESTOR IS ELIGIBLE TO ACQUIRE THE NCDS BEING OFFERED IN THE ISSUE.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "*RISK FACTORS*" CHAPTER ON PAGE 22.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS SHELF PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS SHELF PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE'S WEBSITES.

THE COMPANY UNDERTAKES THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

OUR COMPANY DECLARES THAT NOTHING IN THIS SHELF PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Managers	Website
Trust Investment Advisors Private Limited	www.trustgroup.in
IIFL Capital Services Limited (formerly known as IIFL Securities Limited)	www.iiflcap.com

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on NSE and BSE. An application will be made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchanges.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 6 (six) Working Days or within 3 (three) Working Days, from the date of closure of the Issue, in accordance with the terms of SEBI circular SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/129 dated September 26, 2024 and such other instructions or directions issued by SEBI in this regard, from time to time.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act and Regulation 35(2) of SEBI NCS Regulations, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of: (a) Our Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Banker to Company; (h) Credit Rating Agencies- CRISIL and India Ratings; (i) the Debenture Trustee for the Issue; (j) Consortium Member*; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank*; (l) CRISIL MI&A for industry report titled "Industry report on Housing finance" dated October, 2024 ("**Industry report on Housing finance**"); (m) Lenders, to act in their respective capacities, have been obtained from them and the same have been filed along with a copy of this Shelf Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Shelf Prospectus with the Stock Exchanges.

**These consents will be obtained at each tranche stage*

Our Company has received the written consent dated November 27, 2024 from Sundaram & Srinivasan, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants (Current Joint Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors and in respect of their report on Unaudited Interim Condensed Financial Statements dated November 21, 2024 and their report dated September 30, 2024 on the Statement of Possible Tax Benefits in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Our Company has received the written consent dated November 27, 2024 from Suresh Surana & Associates LLP, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants (Erstwhile Joint Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Previous Joint Statutory Auditors and in respect of their audit report dated May 6, 2024 on Audited Financial Statements for Fiscal 2024 in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993"

Our Company has received the written consent from Suresh Surana & Associates LLP, Chartered Accountants and M.P. Chitale & Co. Chartered Accountants (Erstwhile Joint Statutory Auditors) each dated September 30, 2024, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Erstwhile Joint Statutory Auditors and in respect of their audit report dated April 24, 2023 on Audited Financial Statements for Fiscal 2023 and their audit report dated April 25, 2022 on Audited Financial Statements for Fiscal 2022 in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993".

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Shelf Prospectus:

Our Company has received the written consent dated November 27, 2024 from Sundaram & Srinivasan, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants (Current Joint Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors and in respect of their report on Unaudited Interim Condensed Financial Statements dated November 21, 2024 and their report dated September 30, 2024 on the Statement of Possible Tax Benefits in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993".

Our Company has received the written consent dated November 27, 2024 from Suresh Surana & Associates LLP, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants (Erstwhile Joint Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Previous Joint Statutory Auditors and in respect of their audit report dated May 6, 2024 on Audited Financial Statements for Fiscal 2024 in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S.

Securities Act, 1993"

Our Company has received the written consent from Suresh Surana & Associates LLP, Chartered Accountants and M.P. Chitale & Co. Chartered Accountants (Erstwhile Joint Statutory Auditors) each dated September 30, 2024, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Erstwhile Joint Statutory Auditors and in respect of their audit report dated April 24, 2023 on Audited Financial Statements for Fiscal 2023 and their audit report dated April 25, 2022 on Audited Financial Statements for Fiscal 2022 in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993".

The experts who have given their respective consents are not and have not been engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Shelf Prospectus with the Stock Exchanges and SEBI.

Common form of Transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size , prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Filing of the Draft Shelf Prospectus

The Draft Shelf Prospectus has been filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on their website(s) and SEBI. The Draft Shelf Prospectus has also been displayed on the websites of the Company and the Lead Managers.

Filing of this Shelf Prospectus and the relevant Tranche Prospectus with the RoC

A copy of this Shelf Prospectus has been filed and relevant Tranche Prospectus shall be filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

In accordance with amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, a NBFC/HFC that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and has informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Reservation

No portion of the Issue has been reserved.

Underwriting

This Issue is not underwritten.

Disclosures in accordance with the DT Circular

Appointment of Debenture Trustee

The Company has appointed Catalyst Trusteeship Limited, as the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 1,75,000 plus applicable taxes and an annual trusteeship fee of ₹2,50,000, plus applicable taxes in terms of the letter dated August 8, 2024.

Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

1. The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee.
2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/ or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.
3. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal

of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed with the said existing charge holders.

4. The Debenture Trustee shall have the power to either independently appoint, or direct our Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out-of-pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by our Company.

Terms of carrying out due diligence

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer, at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company’s assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed with the said existing charge holders.

d. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

e. The Debenture Trustee shall have the power to either independently appoint or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

a. The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the Companies Act and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable

b. The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission/ commission on the part of the Issuer.

While the NCDs are secured as per terms of the Offer Document and charge is held in favor of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

CATALYST TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2024, AS PER THE FORMAT SPECIFIED UNDER ANNEX-IIA IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.

(2) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS:

WE CONFIRM THAT:

a) THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.

b) THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).

c) THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.

d) ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.

e) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.) AND OFFER DOCUMENT.

f) ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchanges as per format specified in Annexure II-A of the DT Circular.

Debenture Trust Deed

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

Issue Related Expenses

The expenses of the Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Member, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to the sponsor bank, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue shall be as specified in this Shelf Prospectus. For details of Issue related expenses, see "*Objects of the Issue*" on page 83.

Obligations of the Issuer

In accordance with the SEBI NCS Regulations, the Company hereby undertakes as follows:

a. It shall treat all applicants to an issue of non-convertible securities in a fair and equitable manner as per the procedures as may be specified by the Board.

b. It shall not employ any device, scheme, or artifice to defraud in connection with issue or subscription or distribution of non-convertible securities which are listed or proposed to be listed on the recognized stock exchange(s).

c. Has valid Securities and Exchange Board of India Complaints Redress System (SCORES) authentication in the format specified by the Board and shall use the same for all issuance of non-convertible securities.

The Issuer hereby declares that nothing in the issue document is contrary to the provisions of Companies Act, 2013 (18 of 2013), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made thereunder.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

i. all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act;

ii. details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

iii. details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;

iv. we shall utilize the Issue proceeds only upon creation of security as stated in this Shelf Prospectus in the section titled *"Terms of the Issue"* on page 320 and after (a) permissions or consents for creation of charge over the assets of the Company and for further raising of funds have been obtained from the creditors; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) execution of DTD and creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchanges;

v. the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

vi. the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and

vii. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 8 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Previous Issues

Public / Rights Issues of Equity Shares in the last three years from this Shelf Prospectus

A. IIFL Home Finance Limited ("the Company")

i. Public issue of equity shares by the Company

The Company has not undertaken any public issue of equity shares in the last three years prior to Cut-off Date.

ii. Previous public issues of non-convertible debentures by the Company

For Fiscal 2022:

Below are the details of non-convertible debentures (unsecured)

Particulars	ISIN INE477L08147, INE477L08154, INE477L08162
Date of opening	July 6, 2021
Date of closing	July 28, 2021
Total issue size *(₹ in crores unless otherwise stated)*	655.82
Date of allotment	August 03, 2021
Date of listing	August 04, 2021
Utilisation of proceeds	The company has utilized the funds for the purpose of increasing capital base, which was utilized towards company's business and growth including towards onwards lending, payment of operating expenditure, purchase of assets and repayment of outstanding loans and interest thereon as part of our business activities.

Below are the details of non-convertible debentures (secured)

Particulars	ISIN – INE477L07AL3, INE477L07AM1, INE477L07AN9, INE477L07AO7, INE477L07AP4, ISIN – INE477L07AQ2, ISIN – INE477L07AR0, ISIN – INE477L07AS8
Date of opening	December 8, 2021
Date of closing	December 28, 2021
Total issue size *(₹ in crores unless otherwise stated)*	404.39
Date of allotment	January 03, 2022
Date of listing	January 04, 2022
Utilisation of proceeds	The company has utilized the funds for the purpose of onward lending, financing, refinancing the existing indebtedness of the company (payment of the interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose

For Fiscal 2023: NIL

For Fiscal 2024: NIL

For FY 2024-25 (till Cut-off Date): NIL

iii. Previous private placement of non-convertible debentures by the Company

The Company has made private placement of non-convertible debentures in the financial years 2021-22, 2022-23 and 2023-24, and the current financial year, till November 25, 2024 (being the "**Cut-off Date**") and the funds have been utilized towards the object of the issue as stated in relevant information memoranda. Details are listed below:

For Fiscal 2022:

Particulars	ISIN – INE477L07AI9
Date of opening	April 15, 2021
Date of closing	April 15, 2021
Total issue size *(₹ in crores unless otherwise stated)*	50
Date of allotment	April 16, 2021
Date of listing	April 22, 2021
Utilisation of proceeds	The proceeds of the issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	ISIN – INE477L07AI9
Date of opening	April 23, 2021

Date of closing	April 23, 2021
Total issue size *(₹ in crores unless otherwise stated)*	30
Date of allotment	April 26, 2021
Date of listing	April 29, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	**ISIN – INE477L07AJ7**
Date of opening	May 12, 2021
Date of closing	May 12, 2021
Total issue size *(₹ in crores unless otherwise stated)*	50
Date of allotment	May 14, 2021
Date of listing	May 19, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	**ISIN – INE477L07AJ7**
Date of opening	May 31, 2021
Date of closing	May 31, 2021
Total issue size *(₹ in crores unless otherwise stated)*	35
Date of allotment	June 01, 2021
Date of listing	June 04, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	**ISIN - INE477L07AJ7**
Date of opening	June 15, 2021
Date of closing	June 15, 2021
Total issue size *(₹ in crores unless otherwise stated)*	30
Date of allotment	June 16, 2021
Date of listing	June 21, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	**ISIN - INE477L07AJ7**
Date of opening	September 09, 2021
Date of closing	September 09, 2021
Total issue size *(₹ in crores unless otherwise stated)*	120
Date of allotment	September 13, 2021
Date of listing	September 16, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	**ISIN - INE477L07AJ7**
Date of opening	September 23, 2021
Date of closing	September 23, 2021
Total issue size *(₹ in crores unless otherwise stated)*	75

Date of allotment	September 24, 2021
Date of listing	September 28, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

Particulars	ISIN - INE477L07AK5
Date of opening	September 27, 2021
Date of closing	September 27, 2021
Total issue size *(₹ in crores unless otherwise stated)*	300
Date of allotment	September 28, 2021
Date of listing	October 01, 2021
Utilisation of proceeds	The proceeds of the Issue has been utilized for the general business purposes / activities of the Issuer including refinancing of existing debt, growing asset book, etc.

For Fiscal 2023:

Particulars	ISIN – INE477L07AV2
Date of opening	March 29, 2023
Date of closing	March 29, 2023
Total issue size *(₹ in crores unless otherwise stated)*	280
Date of allotment	March 31, 2023
Date of listing	April 05, 2023
Utilisation of proceeds	The proceeds used for various financing activities including onward lending, re-financing and repayment of borrowing, and for the business operations including the general corporate purposes and working capital requirements.

For Fiscal 2024:

Particulars	ISIN – INE477L07AW0
Date of opening	May 22, 2023
Date of closing	May 22, 2023
Total issue size *(₹ in crores unless otherwise stated)*	320
Date of allotment	May 23, 2023
Date of listing	May 25, 2023
Utilisation of proceeds	The proceeds used for various financing activities including onward lending, re-financing and repayment of borrowing, and for the business operations including the general corporate purposes and working capital requirements.

Particulars	ISIN – INE477L07AX8
Date of opening	August 17, 2023
Date of closing	August 18, 2023
Total issue size *(₹ in crores unless otherwise stated)*	820
Date of allotment	August 18, 2023
Date of listing	-
Utilisation of proceeds	50% of the proceeds from the issue of the Debentures has been utilized towards extending Green Building Loans to Eligible Sub-Borrowers. 50% of the proceeds from the issue of the Debentures has been utilized toward extending affordable housing loans to Eligible Sub-Borrowers who are women from Economically Weaker Sections and Low-Income Group

For FY 2024-25 (till Cut-off Date):

Particulars	ISIN - INE477L07AY6
Date of opening	October 14, 2024
Date of closing	October 14, 2024
Total issue size *(₹ in crores unless otherwise stated)*	250
Date of allotment	October 15, 2024
Date of listing	October 17, 2024
Utilisation of proceeds	100% of the proceeds from the issue of the Debentures has been utilized towards for deployment of funds on the companies own balance sheet. The proceeds of the issue are not utilized by the Company to facilitate resource request of or uritlisation by group companies / parent company / associates of the Company.

iv. Rights issue by the Company

The Company has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

B. Promoter and Promoter Group

1. Promoter- IIFL Finance Limited

i. Public issue of equity shares by IIFL Finance Limited, group company of the Company

IIFL Finance Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus except Right Issue.

ii. Previous public issues of non-convertible debentures by IIFL Finance Limited, group company of the Company

For Fiscal 2022:

Particulars	INE530B07120, INE530B07138, INE530B07146, INE530B07153, INE530B07161, INE530B07179, INE530B07187
Date of opening	September 27, 2021
Date of closing	October 18, 2021
Total issue size *(₹ in crores unless otherwise stated)*	842.99
Date of allotment	October 14, 2021
Date of listing	October 14, 2021
Utilisation of proceeds	The Company has utilized the funds for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment /prepayment of principal of borrowings) and General Corporate Purposes

For Fiscal 2023:

Particulars	INE530B07252, INE530B07302, INE530B07294, INE530B07286, INE530B07310, INE530B07260, INE530B07278
Date of opening	January 06, 2023
Date of closing	January 18, 2023
Total issue size *(₹ in crores unless otherwise stated)*	472.11
Date of allotment	January 24, 2023
Date of listing	January 24, 2023
Utilisation of proceeds	The Company has utilized the funds for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment /prepayment of principal of borrowings) and General Corporate Purposes

For Fiscal 2024:

Particulars	INE530B07336, INE530B07393, INE530B07344, INE530B07351, INE530B07385, INE530B07377, INE530B07369
Date of opening	June 9, 2023
Date of closing	June 22, 2023
Total issue size *(₹ in crores unless otherwise stated)*	452.09
Date of allotment	June 28, 2023
Date of listing	June 30, 2023
Utilisation of proceeds	The Company has utilized the funds for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment /prepayment of principal of borrowings) and General Corporate Purposes

For FY 2024-25 (till Cut-off Date): NIL

iii. Previous private placement of non-convertible debentures by IIFL Finance Limited, group company of the Company, in the last three years

For Fiscal 2022:

Particulars	INE530B07104
Date of opening	June 29, 2021
Date of closing	June 29, 2021
Total issue size *(₹ in crores unless otherwise stated)*	500
Date of allotment	June 30, 2021
Date of listing	July 05, 2021
Utilisation of proceeds	The Company has utilized the proceeds of the issue for on lending and general corporate purpose

Particulars	INE530B07112
Date of opening	September 07, 2021
Date of closing	September 07, 2021
Total issue size *(₹ in crores unless otherwise stated)*	100
Date of allotment	September 07, 2021
Date of listing	September 09, 2021
Utilisation of proceeds	The Company has utilized the proceeds of the issue for on lending and general corporate purpose

Particulars	INE530B07195
Date of opening	January 20, 2022
Date of closing	January 20, 2022
Total issue size *(₹ in crores unless otherwise stated)*	10
Date of allotment	January 21, 2022
Date of listing	January 25, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debt, Onward lending and general business purpose

Particulars	INE530B07203
Date of opening	March 23, 2022
Date of closing	March 23, 2022
Total issue size *(₹ in crores unless otherwise stated)*	60
Date of allotment	March 24, 2022
Date of listing	March 29, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment

	of existing debt, Onward lending and general business purpose

Particulars	INE530B08128
Date of opening	March 23, 2022
Date of closing	March 23, 2022
Total issue size *(₹ in crores unless otherwise stated)*	50
Date of allotment	March 24, 2022
Date of listing	March 29, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debt, Onward lending and general business purpose

For Fiscal 2023:

Particulars	INE530B07211
Date of opening	July 14, 2022
Date of closing	July 14, 2022
Total issue size *(₹ in crores unless otherwise stated)*	10
Date of allotment	July 15, 2022
Date of listing	July 20, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debt, Onward lending and general business purpose

Particulars	INE530B08136
Date of opening	July 25, 2022
Date of closing	July 25, 2022
Total issue size *(₹ in crores unless otherwise stated)*	125
Date of allotment	July 26, 2022
Date of listing	July 27, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debt, Onward lending and general business purpose

Particulars	INE530B07229
Date of opening	September 02, 2022
Date of closing	September 02, 2022
Total issue size *(₹ in crores unless otherwise stated)*	115
Date of allotment	September 02, 2022
Date of listing	September 08, 2022
Utilisation of proceeds	The Company has utilized the proceeds for various financing activities including onward lending, repayment of existing borrowings (including servicing of interest) and the general Business purposes

Particulars	INE530B08136
Date of opening	September 09, 2022
Date of closing	September 09, 2022
Total issue size *(₹ in crores unless otherwise stated)*	80
Date of allotment	September 12, 2022
Date of listing	September 15, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debt, Onward lending and general business purpose

Particulars	INE530B07237
Date of opening	October 31, 2022
Date of closing	October 31, 2022

Total issue size *(₹ in crores unless otherwise stated)*	550
Date of allotment	November 01, 2022
Date of listing	November 03, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for onward lending and for general corporate purpose

Particulars	INE530B08136
Date of opening	November 03, 2022
Date of closing	November 03, 2022
Total issue size *(₹ in crores unless otherwise stated)*	30
Date of allotment	November 04, 2022
Date of listing	November 09, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debts, onward lending and the general Business purposes

Particulars	INE530B07245
Date of opening	November 25, 2022
Date of closing	November 25, 2022
Total issue size *(₹ in crores unless otherwise stated)*	26
Date of allotment	November 25, 2022
Date of listing	December 01, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for onward lending, repayment of existing borrowings and general business purpose

Particulars	INE530B08144
Date of opening	December 26, 2022
Date of closing	December 26, 2022
Total issue size *(₹ in crores unless otherwise stated)*	35
Date of allotment	December 27, 2022
Date of listing	December 28, 2022
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debts, onward lending and the general Business purposes

Particulars	INE530B08144
Date of opening	March 29, 2023
Date of closing	March 29, 2023
Total issue size *(₹ in crores unless otherwise stated)*	30
Date of allotment	March 31, 2023
Date of listing	April 05, 2023
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debts, onward lending and general Business purposes

For Fiscal 2024:

Particulars	INE530B07328
Date of opening	April 05, 2023
Date of closing	April 05, 2023
Total issue size *(₹ in crores unless otherwise stated)*	125
Date of allotment	April 06, 2023
Date of listing	April 11, 2023

Utilisation of proceeds	The Company has utilized the proceeds for financing activities including on-lending to grow their asset book or for refinancing existing debt. Provided that the use of proceeds are in compliance with Applicable Laws including to RBI Master Circular on Bank Finance to Non-Banking Finance Companies dated July 01, 2015, as amended from time to time

Particulars	**INE530B08151**
Date of opening	May 04, 2023
Date of closing	May 04, 2023
Total issue size *(₹ in crores unless otherwise stated)*	35
Date of allotment	May 08, 2023
Date of listing	May 08, 2023
Utilisation of proceeds	The Company has utilized the proceeds of the issue for repayment of existing debt, Onward lending and general business purpose

Particulars	**INE530B07401**
Date of opening	March 19, 2024
Date of closing	March 19, 2024
Total issue size *(₹ in crores unless otherwise stated)*	500
Date of allotment	March 20, 2024
Date of listing	March 22, 2024
Utilisation of proceeds	The Company has utilized the proceeds of the issue for onward lending, financing, refinancing the existing indebtedness of the Company (payment of the interest and/or repayment /prepayment of principal of borrowings) and general corporate purposes of the Company

For FY 2024-25 (till Cut-off Date):

Particulars	**INE530B08169**
Date of opening	October 15, 2024
Date of closing	October 15, 2024
Total issue size *(₹ in crores unless otherwise stated)*	75.00
Date of allotment	October 16, 2024
Date of listing	October 17, 2024
Utilisation of proceeds	The Company has utilized the proceeds of the issue for the purpose of onward lending, financing, refinancing the existing indebtedness of IIFL Finance Limited (payment of the interest and/or repayment /prepayment of principal of borrowings and general corporate purposes.

iv. Rights issue of equity shares by IIFL Finance Limited

Date of Allotment	**No. of Equity Shares**	**Issue Price (₹)**	**Consideration in cash/ Other than cash**	**Details of Utilisation**
May 17, 2024	4,23,94,270	300	12,71,82,81,000.00	Augmenting the capital base of Company

2. Promoter Group- IIFL Open Fintech Private Limited

i. Public issue of equity shares by IIFL Open Fintech Private Limited, group company of the Company

IIFL Open Fintech Private Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Open Fintech Private Limited, group company of the Company

IIFL Open Fintech Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIFL Open Fintech Private Limited, group company of the Company in the last three years

IIFL Open Fintech Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by IIFL Open Fintech Private Limited

IIFL Open Fintech Private Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

C. Subsidiary Company

IIHFL Sales Limited

i. Public issue of equity shares by IIHFL Sales Limited, subsidiary company of the Company

IIHFL Sales Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIHFL Sales Limited, subsidiary company of the Company

IIHFL Sales Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIHFL Sales Limited, subsidiary company of the Company in the last three years

IIHFL Sales Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue by IIHFL Sales Limited, subsidiary company of the Company

IIHFL Sales Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

D. Group Companies:

3. IIFL SAMASTA FINANCE LIMITED

i. Public issue of equity shares by IIFL Samasta Finance Limited, group company of the Company

The Company has not undertaken any public issue of equity shares in past three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Samasta Finance Limited, group company of the Company

Except as disclosed below, the Company has not undertaken any public issue of non-convertible debentures in past three years prior to the date of this Shelf Prospectus.

For Fiscal 2024: Public Issue Tranche I

Particulars	ISIN – INE413U07244 , INE413U07228 , INE413U07236 , INE413U07277 , INE413U07269 INE413U07251
Date of opening	December 04, 2023
Date of closing	December 15, 2023
Total issue size *(₹ in crores unless otherwise stated)*	1000
Date of allotment	December 21, 2023
Date of listing	December 26, 2023
Allotment Amount ***(₹ in crores)***	512.02
Utilisation of proceeds	The company has utilized the funds for the purpose of onward lending, financing / refinancing the existing indebtedness the company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of the company) and for general corporate purposes.

For FY 2024-25 (till Cut-off Date): Public Issue Tranche II

Particulars	ISIN - INE413U07285, INE413U07335, INE413U07327, INE413U07293, INE413U07301, INE413U07319
Date of opening	June 03, 2024
Date of closing	June 14, 2024
Total issue size *(₹ in crores unless otherwise stated)*	1000
Date of allotment	June 21, 2024
Date of listing	June 25, 2024
Allotment Amount	180.87
Utilisation of proceeds	The company has utilized the funds for the purpose of onward lending, financing / refinancing the existing indebtedness of the company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of the company) and for general corporate purposes.

iii. Previous private placement of non-convertible debentures by IIFL Samasta Finance Limited, group company of the Company in the last three years

IIFL Samasta Finance Limited has made private placement of non-convertible debentures in the financial years 2021-22, 2022-23, 2023-24 and 2024-25 and the funds have been utilized towards the object of the issue as stated in relevant information memorandum. Details of utilisation of issue proceeds are listed below:

For Fiscal 2022:

Particulars	**ISIN –** INE41307178	**ISIN –** INE41307194
Date of opening	May 31, 2021	October 26, 2021
Date of closing	May 31, 2021	October 26, 2021
Total issue size *(₹ in crores unless otherwise stated)*	95	100
Date of allotment	May 31, 2021	October 26, 2021
Date of listing	June 4, 2021	November 01, 2021
Utilisation of proceeds	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose including repayment/ refinancing of existing Debts.	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose.

For Fiscal 2023:

Particulars	**ISIN –** INE41307202	**ISIN –** INE41307202 (Reissuance)	**ISIN –** INE41308044
Date of opening	June 1, 2022	June 14, 2022	August 18, 2022
Date of closing	June 1, 2022	June 14, 2022	August 18, 2022
Total issue size *(₹ in crores unless otherwise stated)*	200	175	200
Date of allotment	June 1, 2022	June 14, 2022	August 19, 2022
Date of listing	June 3, 2022	June 16, 2022	August 24, 2022
Utilisation of proceeds	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose

Particulars	**ISIN –** INE41308051 and INE41308069	**ISIN –** INE41308077	**ISIN –** INE41308085
Date of opening	December 16, 2022	February 1, 2023	February 23, 2023
Date of closing	December 16, 2022	February 1, 2023	February 23, 2023
Total issue size *(₹ in crores unless otherwise stated)*	100	50	40
Date of allotment	December 19, 2022	February 2, 2023	February 24, 2023

Date of listing	December 20, 2022	February 3, 2023	February 27, 2023
Utilisation of proceeds	The company has utilised the proceeds of the issue towards to augment the long-term resources of the company, & to meet working capital requirement.	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose and to augment the long term resources of the company to meet working capital requirement.	The company has utilised the proceeds of the issue towards to augment the long-term resources of the company, & to meet working capital requirement

For Fiscal 2024:

Particulars	ISIN – INE413U08093	**ISIN –** INE413U07210	**ISIN –** INE413U08101
Date of opening	May 17, 2023	May 25, 2023	June 12, 2023
Date of closing	May 17, 2023	May 25, 2023	June 12, 2023
Total issue size *(₹ in crores unless otherwise stated)*	300	200	100
Date of allotment	May 18, 2023	May 26, 2023	June 13, 2023
Date of listing	May 19, 2023	May 29, 2023	June 15, 2023
Utilisation of proceeds	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose and to augment the long term resources of the company to meet working capital requirement.	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose and to augment the long term resources of the company to meet working capital requirement	The company has utilised the proceeds of the Issue towards onward lending and general corporate purpose and to augment the long term resources of the company to meet working capital requirement.

Particulars	ISIN – INE413U08119	ISIN – INE413U08127
Date of opening	February 28, 2024	March 6, 2024
Date of closing	February 28, 2024	March 6, 2024
Total issue size *(₹ in crores unless otherwise stated)*	100	97
Date of allotment	February 29, 2024	March 7, 2024
Date of listing	March 04, 2024	March 11, 2024
Utilisation of proceeds	The issue proceeds equivalent to 100% of the funds raised by the issue has been utilized towards the on-lending purpose	Company has utilised the proceeds of the issue to disburse microloans for the express purpose of financing water and sanitation improvement.

For FY 2024-25 (till Cut-off Date):

Particulars	INE413U08135
Date of opening	June 27, 2024
Date of closing	June 27, 2024
Total issue size *(₹ in crores unless otherwise stated)*	40
Date of allotment	June 28, 2024
Date of listing	July 02, 2024
Utilization of proceeds	The company has utilised the proceeds of the issue to utilize the entire Facility only to originate joint liability group loans for women borrowers.

Particulars	INE413U07343
Date of opening	August 29, 2024
Date of closing	August 29, 2024
Total issue size *(₹ in crores unless otherwise stated)*	66.60
Date of allotment	August 30, 2024
Date of listing	September 02, 2024
Utilization of proceeds	The company has utilised the proceeds of the issue to disburse microloans for the express purpose of financing water and sanitization improvement.

Particulars	INE413U07350
Date of opening	September 27, 2024
Date of closing	September 27, 2024
Total issue size *(₹ in crores unless otherwise stated)*	40
Date of allotment	September 30, 2024
Date of listing	October 03, 2024
Utilization of proceeds	The company has utilised the proceeds of the issue to utilise the entire issue proceeds only to originate joint liability group loans for women borrowers.

iv. Rights issue by IIFL Samasta Finance Limited

The Company has not undertaken any rights issue of equity shares for the current financial year and in past three financial years.

Date of Allotment	No. of Equity Shares	Issue Price (₹)	Consideration in cash/ Other than cash	Details of Utilisation
June 28, 2021	12,21,00,121	16.38	Cash	For general corporate purposes and working capital requirements
March 30, 2022	4,14,82,300	18.08	Cash	
March 31, 2022	1,38,27,433	18.08	Cash	
February 8, 2023	9,54,19,847	20.96	Cash	
November 15, 2023	7,47,94,315	26.74	Cash	

4. IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

i. Public issue of equity shares by IIFL Capital Services Limited (formerly known as IIFL Securities Limited), group company of the Company

IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Capital Services Limited (formerly known as IIFL Securities Limited), group company of the Company

IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIFL Capital Services Limited (formerly known as IIFL Securities Limited), group company of the Company in the last three years

IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by IIFL Capital Services Limited (formerly known as IIFL Securities Limited)

IIFL Capital Services Limited (formerly known as IIFL Securities Limited) has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

5. IIFL Facilities Services Limited

i. Public issue of equity shares by IIFL Facilities Services Limited, group company of the Company

IIFL Facilities Services Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Facilities Services Limited, group company of the Company

IIFL Facilities Services Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIFL Facilities Services Limited, group company of the Company in the last three years

IIFL Facilities Services Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by IIFL Facilities Services Limited

IIFL Facilities Services Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

6. IIFL Management Services Limited

i. Public issue of equity shares by IIFL Management Services Limited, group company of the Company

IIFL Management Services Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Management Services Limited, group company of the Company

IIFL Management Services Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIFL Management Services Limited, group company of the Company in the last three years

IIFL Management Services Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by IIFL Management Services Limited

IIFL Management Services Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

7. LivLong Insurance Brokers Limited

i. Public issue of equity shares by LivLong Insurance Brokers Limited, group company of the Company

LivLong Insurance Brokers Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by LivLong Insurance Brokers Limited, group company of the Company

LivLong Insurance Brokers Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by LivLong Insurance Brokers Limited, group company of the Company in the last three years

LivLong Insurance Brokers Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by LivLong Insurance Brokers Limited

LivLong Insurance Brokers Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

8. LivLong Protection & Wellness Solutions Limited

i. Public issue of equity shares by LivLong Protection & Wellness Solutions Limited, group company of the Company

LivLong Protection & Wellness Solutions Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by LivLong Protection & Wellness Solutions Limited, group company of the Company

LivLong Protection & Wellness Solutions Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by LivLong Protection & Wellness Solutions Limited, group company of the Company in the last three years

LivLong Protection & Wellness Solutions Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by LivLong Protection & Wellness Solutions Limited

LivLong Protection & Wellness Solutions Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

9. 5Paisa Capital Limited

i. Public issue of equity shares by 5Paisa Capital Limited, group company of the Company

5Paisa Capital Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 5Paisa Capital Limited, group company of the Company

5Paisa Capital Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by 5Paisa Capital Limited, group company of the Company in the last three years

5Paisa Capital Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by 5Paisa Capital Limited

5Paisa Capital Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

10. 360 ONE WAM Limited

i. Public issue of equity shares by 360 ONE WAM Limited, group company of the Company

360 ONE WAM Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 360 ONE WAM Limited, group company of the Company

360 ONE WAM Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by 360 ONE WAM Limited, group company of the Company in the last three years

360 ONE WAM Limited has undertaken below stated private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus:

For Fiscal 2022:

Particulars	ISIN- INE466L07027	ISIN- INE466L07027	ISIN- INE466L07027
Date of opening	December 27,2021	December 30,2021	January 07, 2022
Date of closing	December 27,2021	December 30,2021	January 07, 2022
Total issue size	120 crores	100 crores	29.80 crores
Date of allotment	December 27, 2021	December 30, 2021	January 07, 2022
Date of listing	December 31, 2021	January 5, 2022	January 12, 2022
Utilisation of proceeds	Proceeds utilized in full for general corporate purposes and business activities	Proceeds utilized in full for general corporate purposes and business activities	Proceeds utilized in full for general corporate purposes and business activities

iv. Rights issue of equity shares by 360 ONE WAM Limited

360 ONE WAM Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

11. 360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)

i. Public issue of equity shares by 360 One Distribution Services Limited, group company of the Company

360 One Distribution Services Limited has not undertaken any equity public issue in the last three years prior to the

date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 360 One Distribution Services Limited, group company of the Company

360 One Distribution Services Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by 360 One Distribution Services Limited, group company of the Company in the last three years

360 One Distribution Services Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

iv. Rights issue of equity shares by 360 One Distribution Services Limited

360 One Distribution Services Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

12. 360 One Prime Limited (Formerly known as IIFL Wealth Prime Limited)

i. Public issue of equity shares by 360 One Prime Limited, group company of the Company

360 One Prime Limited has not undertaken any equity public issue in the last three years prior to the date of this Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 360 One Prime Limited, group company of the Company

360 One Prime Limited has undertaken the below stated public issue of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus:

Fiscal 2024:

Particulars (Tranche I)	**INE248U07EX6, INE248U07EV0, INE248U07EU2, INE248U07EQ0, INE248U07ET4, INE248U07EW8, INE248U07ES6, INE248U07ER8**
Date of opening	January 11, 2024
Date of closing	January 15, 2024
Total issue size *(₹ in crores unless otherwise stated)*	1,000.00
Date of allotment	January 18, 2024
Date of listing	January 20, 2024
Allotment amount *(₹ in crores unless otherwise stated)*	303.05
Utilisation of proceeds	The company has utilised the proceeds for the purpose of onward lending, financing / refinancing the existing indebtedness of the company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of the company) and general corporate purpose

Particulars (Tranche II)	**INE248U07EX6, INE248U07EV0, INE248U07EU2, INE248U07EQ0, INE248U07ET4, INE248U07EW8, INE248U07ES6, INE248U07ER8**
Date of opening	January 11, 2024
Date of closing	January 15, 2024
Total issue size *(₹ in crores unless otherwise stated)*	1,000.00
Date of allotment	January 18, 2024
Date of listing	January 20, 2024
Allotment amount *(₹ in crores unless otherwise stated)*	303.05
Utilisation of proceeds	The company has utilised the proceeds for the purpose of onward lending, financing / refinancing the existing indebtedness of the company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of the company) and general corporate purpose

iii. **Previous private placement of non-convertible debentures by 360 One Prime Limited, group company of the Company in the last three years**

Except as disclosed below, 360 One Prime Limited has not undertaken the private placement of non-convertible debentures in the last three years prior to the date of this Shelf Prospectus.

Fiscal 2022:

Particulars	INE248U07DF5
Date of opening	March 30, 2022
Date of closing	March 30, 2022
Total issue size *(₹ in crores unless otherwise stated)*	5.09
Date of allotment	March 30, 2022
Date of listing	April 5, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	March 30, 2022
Date of closing	March 30, 2022
Total issue size *(₹ in crores unless otherwise stated)*	15.43
Date of allotment	March 30, 2022
Date of listing	April 5, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	March 24, 2022
Date of closing	March 24, 2022
Total issue size *(₹ in crores unless otherwise stated)*	10.18
Date of allotment	March 24, 2022
Date of listing	March 29, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	March 24, 2022
Date of closing	March 24, 2022
Total issue size *(₹ in crores unless otherwise stated)*	41.05
Date of allotment	March 24, 2022
Date of listing	March 29, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	March 15, 2022
Date of closing	March 15, 2022
Total issue size *(₹ in crores unless otherwise stated)*	12.76
Date of allotment	March 15, 2022
Date of listing	March 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	March 15, 2022

Date of closing	March 15, 2022
Total issue size *(₹ in crores unless otherwise stated)*	5.03
Date of allotment	March 15, 2022
Date of listing	March 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	March 8, 2022
Date of closing	March 8, 2022
Total issue size *(₹ in crores unless otherwise stated)*	7.13
Date of allotment	March 8, 2022
Date of listing	March 11, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	March 8, 2022
Date of closing	March 8, 2022
Total issue size *(₹ in crores unless otherwise stated)*	4.02
Date of allotment	March 8, 2022
Date of listing	March 11, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	February 24, 2022
Date of closing	February 24, 2022
Total issue size *(₹ in crores unless otherwise stated)*	16.27
Date of allotment	February 24, 2022
Date of listing	March 2, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	February 24, 2022
Date of closing	February 24, 2022
Total issue size *(₹ in crores unless otherwise stated)*	17.55
Date of allotment	February 24, 2022
Date of listing	March 2, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	February 17, 2022
Date of closing	February 17, 2022
Total issue size *(₹ in crores unless otherwise stated)*	9.65
Date of allotment	February 17, 2022
Date of listing	February 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	February 17, 2022
Date of closing	February 17, 2022
Total issue size *(₹ in crores unless otherwise stated)*	6.01
Date of allotment	February 17, 2022
Date of listing	February 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	February 8, 2022
Date of closing	February 8, 2022
Total issue size *(₹ in crores unless otherwise stated)*	3.00
Date of allotment	February 8, 2022
Date of listing	February 11, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	February 3, 2022
Date of closing	February 3, 2022
Total issue size *(₹ in crores unless otherwise stated)*	8.71
Date of allotment	February 3, 2022
Date of listing	February 8, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	January 20, 2022
Date of closing	January 20, 2022
Total issue size *(₹ in crores unless otherwise stated)*	14.14
Date of allotment	January 20, 2022
Date of listing	January 24, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	January 13, 2022
Date of closing	January 13, 2022
Total issue size *(₹ in crores unless otherwise stated)*	22.20
Date of allotment	January 13, 2022
Date of listing	January 19, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	January 13, 2022
Date of closing	January 13, 2022
Total issue size *(₹ in crores unless otherwise stated)*	3.02
Date of allotment	January 13, 2022
Date of listing	January 19, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of

	the issue documents

Particulars	INE248U07DF5
Date of opening	January 11, 2022
Date of closing	January 11, 2022
Total issue size *(₹ in crores unless otherwise stated)*	17.15
Date of allotment	January 11, 2022
Date of listing	January 14, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	January 11, 2022
Date of closing	January 11, 2022
Total issue size *(₹ in crores unless otherwise stated)*	41.32
Date of allotment	January 11, 2022
Date of listing	January 14, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 10, 2021
Date of closing	December 10, 2021
Total issue size *(₹ in crores unless otherwise stated)*	30.08
Date of allotment	December 10, 2021
Date of listing	December 15, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	December 10, 2021
Date of closing	December 10, 2021
Total issue size *(₹ in crores unless otherwise stated)*	15.02
Date of allotment	December 10, 2021
Date of listing	December 15, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 9, 2021
Date of closing	December 9, 2021
Total issue size *(₹ in crores unless otherwise stated)*	15.04
Date of allotment	December 9, 2021
Date of listing	December 14, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	December 9, 2021
Date of closing	December 9, 2021
Total issue size *(₹ in crores unless otherwise stated)*	8.01
Date of allotment	December 9, 2021

Date of listing	December 14, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 2, 2021
Date of closing	December 2, 2021
Total issue size *(₹ in crores unless otherwise stated)*	60.07
Date of allotment	December 2, 2021
Date of listing	December 8, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	December 2, 2021
Date of closing	December 2, 2021
Total issue size *(₹ in crores unless otherwise stated)*	31.00
Date of allotment	December 2, 2021
Date of listing	December 8, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	November 26, 2021
Date of closing	November 26, 2021
Total issue size *(₹ in crores unless otherwise stated)*	50.00
Date of allotment	November 26, 2021
Date of listing	December 2, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	July 23, 2021
Date of closing	July 23, 2021
Total issue size *(₹ in crores unless otherwise stated)*	49.99
Date of allotment	July 23, 2021
Date of listing	July 28, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	July 6, 2021
Date of closing	July 6, 2021
Total issue size *(₹ in crores unless otherwise stated)*	4.02
Date of allotment	July 6, 2021
Date of listing	July 12, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	June 30, 2021
Date of closing	June 30, 2021
Total issue size *(₹ in crores*	2.86

unless otherwise stated)	
Date of allotment	June 30, 2021
Date of listing	July 6, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	June 17, 2021
Date of closing	June 17, 2021
Total issue size *(₹ in crores unless otherwise stated)*	10.02
Date of allotment	June 17, 2021
Date of listing	June 22, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	June 17, 2021
Date of closing	June 17, 2021
Total issue size *(₹ in crores unless otherwise stated)*	4.61
Date of allotment	June 17, 2021
Date of listing	June 22, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	June 2, 2021
Date of closing	June 2, 2021
Total issue size *(₹ in crores unless otherwise stated)*	25.01
Date of allotment	June 2, 2021
Date of listing	June 7, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	June 1, 2021
Date of closing	June 1, 2021
Total issue size *(₹ in crores unless otherwise stated)*	11.48
Date of allotment	June 1, 2021
Date of listing	June 7, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	May 20, 2021
Date of closing	May 20, 2021
Total issue size *(₹ in crores unless otherwise stated)*	19.53
Date of allotment	May 20, 2021
Date of listing	May 26, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	May 20, 2021

Date of closing	May 20, 2021
Total issue size *(₹ in crores unless otherwise stated)*	19.56
Date of allotment	May 20, 2021
Date of listing	May 26, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	May 12, 2021
Date of closing	May 12, 2021
Total issue size *(₹ in crores unless otherwise stated)*	6.56
Date of allotment	May 12, 2021
Date of listing	May 18, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	May 11, 2021
Date of closing	May 11, 2021
Total issue size *(₹ in crores unless otherwise stated)*	7.62
Date of allotment	May 11, 2021
Date of listing	May 17, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	May 11, 2021
Date of closing	May 11, 2021
Total issue size *(₹ in crores unless otherwise stated)*	8.56
Date of allotment	May 11, 2021
Date of listing	May 17, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	May 6, 2021
Date of closing	May 6, 2021
Total issue size *(₹ in crores unless otherwise stated)*	11.17
Date of allotment	May 6, 2021
Date of listing	May 11, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	May 6, 2021
Date of closing	May 6, 2021
Total issue size *(₹ in crores unless otherwise stated)*	8.29
Date of allotment	May 6, 2021
Date of listing	May 11, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	May 5, 2021
Date of closing	May 5, 2021
Total issue size *(₹ in crores unless otherwise stated)*	150.00
Date of allotment	May 5, 2021
Date of listing	May 10, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	May 3, 2021
Date of closing	May 3, 2021
Total issue size *(₹ in crores unless otherwise stated)*	11.99
Date of allotment	May 3, 2021
Date of listing	May 7, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	April 30, 2021
Date of closing	April 30, 2021
Total issue size *(₹ in crores unless otherwise stated)*	2.01
Date of allotment	April 30, 2021
Date of listing	May 5, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	April 29, 2021
Date of closing	April 29, 2021
Total issue size *(₹ in crores unless otherwise stated)*	2.01
Date of allotment	April 29, 2021
Date of listing	May 5, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	April 29, 2021
Date of closing	April 29, 2021
Total issue size *(₹ in crores unless otherwise stated)*	20.34
Date of allotment	April 29, 2021
Date of listing	May 5, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DC2
Date of opening	April 29, 2021
Date of closing	April 29, 2021
Total issue size *(₹ in crores unless otherwise stated)*	54.94
Date of allotment	April 29, 2021
Date of listing	May 5, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of

	the issue documents

Particulars	INE248U07DD0
Date of opening	April 29, 2021
Date of closing	April 29, 2021
Total issue size *(₹ in crores unless otherwise stated)*	3.11
Date of allotment	April 29, 2021
Date of listing	May 5, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	April 28, 2021
Date of closing	April 28, 2021
Total issue size *(₹ in crores unless otherwise stated)*	49.97
Date of allotment	April 28, 2021
Date of listing	May 3, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DE8
Date of opening	April 27, 2021
Date of closing	April 27, 2021
Total issue size *(₹ in crores unless otherwise stated)*	15.00
Date of allotment	April 27, 2021
Date of listing	May 3, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	April 12, 2021
Date of closing	April 12, 2021
Total issue size *(₹ in crores unless otherwise stated)*	2.91
Date of allotment	April 12, 2021
Date of listing	April 19, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DC2
Date of opening	April 12, 2021
Date of closing	April 12, 2021
Total issue size *(₹ in crores unless otherwise stated)*	1.51
Date of allotment	April 12, 2021
Date of listing	April 19, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DD0
Date of opening	April 9, 2021
Date of closing	April 9, 2021
Total issue size *(₹ in crores unless otherwise stated)*	121.25
Date of allotment	April 9, 2021

Date of listing	April 15, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	April 8, 2021
Date of closing	April 8, 2021
Total issue size *(₹ in crores unless otherwise stated)*	3.25
Date of allotment	April 8, 2021
Date of listing	April 15, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	April 8, 2021
Date of closing	April 8, 2021
Total issue size *(₹ in crores unless otherwise stated)*	1.00
Date of allotment	April 8, 2021
Date of listing	April 15, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DC2
Date of opening	April 8, 2021
Date of closing	April 8, 2021
Total issue size *(₹ in crores unless otherwise stated)*	27.65
Date of allotment	April 8, 2021
Date of listing	April 15, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	April 7, 2021
Date of closing	April 7, 2021
Total issue size *(₹ in crores unless otherwise stated)*	5.01
Date of allotment	April 7, 2021
Date of listing	April 13, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	April 7, 2021
Date of closing	April 7, 2021
Total issue size *(₹ in crores unless otherwise stated)*	3.12
Date of allotment	April 7, 2021
Date of listing	April 13, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DA6
Date of opening	April 6, 2021
Date of closing	April 6, 2021
Total issue size *(₹ in crores*	9.89

unless otherwise stated)	
Date of allotment	April 6, 2021
Date of listing	April 12, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DB4
Date of opening	April 6, 2021
Date of closing	April 6, 2021
Total issue size *(₹ in crores unless otherwise stated)*	3.01
Date of allotment	April 6, 2021
Date of listing	April 12, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DC2
Date of opening	April 6, 2021
Date of closing	April 6, 2021
Total issue size *(₹ in crores unless otherwise stated)*	1.01
Date of allotment	April 6, 2021
Date of listing	April 12, 2021
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Fiscal 2023:

Particulars	INE248U07DW0
Date of opening	March 23, 2023
Date of closing	March 23, 2023
Total issue size *(₹ in crores unless otherwise stated)*	74.98
Date of allotment	March 23, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DR0
Date of opening	March 21, 2023
Date of closing	March 21, 2023
Total issue size *(₹ in crores unless otherwise stated)*	499.87
Date of allotment	March 21, 2023
Date of listing	March 21, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DV2
Date of opening	March 17, 2023
Date of closing	March 17, 2023
Total issue size *(₹ in crores unless otherwise stated)*	30.27
Date of allotment	March 17, 2023
Date of listing	March 22, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DU4

Date of opening	March 16, 2023
Date of closing	March 16, 2023
Total issue size *(₹ in crores unless otherwise stated)*	17.00
Date of allotment	March 16, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DR0
Date of opening	March 14, 2023
Date of closing	March 14, 2023
Total issue size *(₹ in crores unless otherwise stated)*	254.29
Date of allotment	March 14, 2023
Date of listing	March 16, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DS8
Date of opening	March 9, 2023
Date of closing	March 9, 2023
Total issue size *(₹ in crores unless otherwise stated)*	15.50
Date of allotment	March 9, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DP4
Date of opening	March 2, 2023
Date of closing	March 2, 2023
Total issue size *(₹ in crores unless otherwise stated)*	60.50
Date of allotment	March 2, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DQ2
Date of opening	February 28, 2023
Date of closing	February 28, 2023
Total issue size *(₹ in crores unless otherwise stated)*	18.30
Date of allotment	February 28, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DO7
Date of opening	February 23, 2023
Date of closing	February 23, 2023
Total issue size *(₹ in crores unless otherwise stated)*	33.00
Date of allotment	February 23, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	January 23, 2023
Date of closing	January 23, 2023
Total issue size *(₹ in crores unless otherwise stated)*	40.01
Date of allotment	January 23, 2023
Date of listing	January 25, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	January 12, 2023
Date of closing	January 12, 2023
Total issue size *(₹ in crores unless otherwise stated)*	27.05
Date of allotment	January 12, 2023
Date of listing	January 17, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	January 12, 2023
Date of closing	January 12, 2023
Total issue size *(₹ in crores unless otherwise stated)*	13.34
Date of allotment	January 12, 2023
Date of listing	January 17, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	December 29, 2022
Date of closing	December 29, 2022
Total issue size *(₹ in crores unless otherwise stated)*	8.47
Date of allotment	December 29, 2022
Date of listing	January 2, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	December 23, 2022
Date of closing	December 23, 2022
Total issue size *(₹ in crores unless otherwise stated)*	6.18
Date of allotment	December 23, 2022
Date of listing	December 27, 2023
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 22, 2022
Date of closing	December 22, 2022
Total issue size *(₹ in crores unless otherwise stated)*	7.89
Date of allotment	December 22, 2022
Date of listing	December 27, 2022

Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	December 22, 2022
Date of closing	December 22, 2022
Total issue size *(₹ in crores unless otherwise stated)*	2.06
Date of allotment	December 22, 2022
Date of listing	December 27, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 15, 2022
Date of closing	December 15, 2022
Total issue size *(₹ in crores unless otherwise stated)*	3.19
Date of allotment	December 15, 2022
Date of listing	December 20, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 9, 2022
Date of closing	December 9, 2022
Total issue size *(₹ in crores unless otherwise stated)*	70.11
Date of allotment	December 9, 2022
Date of listing	December 13, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	December 8, 2022
Date of closing	December 8, 2022
Total issue size *(₹ in crores unless otherwise stated)*	6.59
Date of allotment	December 8, 2022
Date of listing	December 12, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	December 1, 2022
Date of closing	December 1, 2022
Total issue size *(₹ in crores unless otherwise stated)*	17.96
Date of allotment	December 1, 2022
Date of listing	December 6, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	November 24, 2022
Date of closing	November 24, 2022
Total issue size *(₹ in crores unless otherwise stated)*	3.18

Date of allotment	November 24, 2022
Date of listing	November 24, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 24, 2022
Date of closing	November 24, 2022
Total issue size *(₹ in crores unless otherwise stated)*	3.18
Date of allotment	November 24, 2022
Date of listing	November 29, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 17, 2022
Date of closing	November 17, 2022
Total issue size *(₹ in crores unless otherwise stated)*	6.65
Date of allotment	November 17, 2022
Date of listing	November 23, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 14, 2022
Date of closing	November 14, 2022
Total issue size *(₹ in crores unless otherwise stated)*	12.26
Date of allotment	November 14, 2022
Date of listing	November 17, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	November 10, 2022
Date of closing	November 10, 2022
Total issue size *(₹ in crores unless otherwise stated)*	7.56
Date of allotment	November 10, 2022
Date of listing	November 15, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 10, 2022
Date of closing	November 10, 2022
Total issue size *(₹ in crores unless otherwise stated)*	16.05
Date of allotment	November 10, 2022
Date of listing	November 15, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 9, 2022
Date of closing	November 9, 2022

Total issue size *(₹ in crores unless otherwise stated)*	29.99
Date of allotment	November 10, 2022
Date of listing	November 14, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 2, 2022
Date of closing	November 2, 2022
Total issue size *(₹ in crores unless otherwise stated)*	29.95
Date of allotment	November 2, 2022
Date of listing	November 4, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	November 1, 2022
Date of closing	November 1, 2022
Total issue size *(₹ in crores unless otherwise stated)*	5.28
Date of allotment	November 1, 2022
Date of listing	November 4, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	November 1, 2022
Date of closing	November 1, 2022
Total issue size *(₹ in crores unless otherwise stated)*	20.40
Date of allotment	November 1, 2022
Date of listing	November 4, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	October 20, 2022
Date of closing	October 20, 2022
Total issue size *(₹ in crores unless otherwise stated)*	13.58
Date of allotment	October 20, 2022
Date of listing	October 27, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	October 20, 2022
Date of closing	October 20, 2022
Total issue size *(₹ in crores unless otherwise stated)*	15.36
Date of allotment	October 20, 2022
Date of listing	October 27, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3

Date of opening	October 19, 2022
Date of closing	October 19, 2022
Total issue size *(₹ in crores unless otherwise stated)*	5.07
Date of allotment	October 19, 2022
Date of listing	October 25, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DM1
Date of opening	October 18, 2022
Date of closing	October 18, 2022
Total issue size *(₹ in crores unless otherwise stated)*	10.17
Date of allotment	October 18, 2022
Date of listing	October 25, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	October 6, 2022
Date of closing	October 6, 2022
Total issue size *(₹ in crores unless otherwise stated)*	12.85
Date of allotment	October 6, 2022
Date of listing	October 11, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	October 4, 2022
Date of closing	October 4, 2022
Total issue size *(₹ in crores unless otherwise stated)*	9.06
Date of allotment	October 4, 2022
Date of listing	October 10, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	September 30, 2022
Date of closing	September 30, 2022
Total issue size *(₹ in crores unless otherwise stated)*	25.94
Date of allotment	September 30, 2022
Date of listing	October 6, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DN9
Date of opening	September 30, 2022
Date of closing	September 30, 2022
Total issue size *(₹ in crores unless otherwise stated)*	35.00
Date of allotment	September 30, 2022
Date of listing	October 6, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DM1
Date of opening	September 15, 2022
Date of closing	September 15, 2022
Total issue size *(₹ in crores unless otherwise stated)*	154.80
Date of allotment	September 15, 2022
Date of listing	September 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	July 21, 2022
Date of closing	July 21, 2022
Total issue size *(₹ in crores unless otherwise stated)*	13.04
Date of allotment	July 21, 2022
Date of listing	July 26, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	July 14, 2022
Date of closing	July 14, 2022
Total issue size *(₹ in crores unless otherwise stated)*	38.05
Date of allotment	July 14, 2022
Date of listing	July 20, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DL3
Date of opening	July 7, 2022
Date of closing	July 7, 2022
Total issue size *(₹ in crores unless otherwise stated)*	6.50
Date of allotment	July 7, 2022
Date of listing	July 13, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 30, 2022
Date of closing	June 30, 2022
Total issue size *(₹ in crores unless otherwise stated)*	32.61
Date of allotment	June 30, 2022
Date of listing	July 6, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DK5
Date of opening	June 30, 2022
Date of closing	June 30, 2022
Total issue size *(₹ in crores unless otherwise stated)*	4.11
Date of allotment	June 30, 2022
Date of listing	July 6, 2022

Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DJ7
Date of opening	June 29, 2022
Date of closing	June 29, 2022
Total issue size *(₹ in crores unless otherwise stated)*	42.25
Date of allotment	June 29, 2022
Date of listing	July 4, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 23, 2022
Date of closing	June 23, 2022
Total issue size *(₹ in crores unless otherwise stated)*	29.79
Date of allotment	June 23, 2022
Date of listing	June 28, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DK5
Date of opening	June 23, 2022
Date of closing	June 23, 2022
Total issue size *(₹ in crores unless otherwise stated)*	7.01
Date of allotment	June 23, 2022
Date of listing	June 28, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DG3
Date of opening	June 22, 2022
Date of closing	June 22, 2022
Total issue size *(₹ in crores unless otherwise stated)*	20.02
Date of allotment	June 22, 2022
Date of listing	June 28, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 20, 2022
Date of closing	June 20, 2022
Total issue size *(₹ in crores unless otherwise stated)*	10.27
Date of allotment	June 20, 2022
Date of listing	June 23, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 17, 2022
Date of closing	June 17, 2022
Total issue size *(₹ in crores unless otherwise stated)*	25.07

Date of allotment	June 17, 2022
Date of listing	June 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DJ7
Date of opening	June 17, 2022
Date of closing	June 17, 2022
Total issue size *(₹ in crores unless otherwise stated)*	47.05
Date of allotment	June 17, 2022
Date of listing	June 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 16, 2022
Date of closing	June 16, 2022
Total issue size *(₹ in crores unless otherwise stated)*	16.52
Date of allotment	June 16, 2022
Date of listing	June 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	June 16, 2022
Date of closing	June 16, 2022
Total issue size *(₹ in crores unless otherwise stated)*	4.56
Date of allotment	June 16, 2022
Date of listing	June 21, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DK5
Date of opening	June 15, 2022
Date of closing	June 15, 2022
Total issue size *(₹ in crores unless otherwise stated)*	299.00
Date of allotment	June 15, 2022
Date of listing	June 20, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 9, 2022
Date of closing	June 9, 2022
Total issue size *(₹ in crores unless otherwise stated)*	17.82
Date of allotment	June 9, 2022
Date of listing	June 14, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	June 9, 2022
Date of closing	June 9, 2022

Total issue size *(₹ in crores unless otherwise stated)*	111.91
Date of allotment	June 9, 2022
Date of listing	June 14, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DJ7
Date of opening	June 7, 2022
Date of closing	June 7, 2022
Total issue size *(₹ in crores unless otherwise stated)*	69.50
Date of allotment	June 7, 2022
Date of listing	June 13, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	June 2, 2022
Date of closing	June 2, 2022
Total issue size *(₹ in crores unless otherwise stated)*	40.10
Date of allotment	June 2, 2022
Date of listing	June 7, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	June 2, 2022
Date of closing	June 2, 2022
Total issue size *(₹ in crores unless otherwise stated)*	24.95
Date of allotment	June 2, 2022
Date of listing	June 7, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	May 26, 2022
Date of closing	May 26, 2022
Total issue size *(₹ in crores unless otherwise stated)*	104.60
Date of allotment	May 26, 2022
Date of listing	May 31, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	May 26, 2022
Date of closing	May 26, 2022
Total issue size *(₹ in crores unless otherwise stated)*	35.35
Date of allotment	May 26, 2022
Date of listing	May 31, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5

Date of opening	May 19, 2022
Date of closing	May 19, 2022
Total issue size *(₹ in crores unless otherwise stated)*	37.03
Date of allotment	May 19, 2022
Date of listing	May 23, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	May 13, 2022
Date of closing	May 13, 2022
Total issue size *(₹ in crores unless otherwise stated)*	45.54
Date of allotment	May 13, 2022
Date of listing	May 17, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	May 12, 2022
Date of closing	May 12, 2022
Total issue size *(₹ in crores unless otherwise stated)*	33.20
Date of allotment	May 12, 2022
Date of listing	May 16, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	May 12, 2022
Date of closing	May 12, 2022
Total issue size *(₹ in crores unless otherwise stated)*	20.21
Date of allotment	May 12, 2022
Date of listing	May 16, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	May 11, 2022
Date of closing	May 11, 2022
Total issue size *(₹ in crores unless otherwise stated)*	25.02
Date of allotment	May 11, 2022
Date of listing	May 16, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	May 5, 2022
Date of closing	May 5, 2022
Total issue size *(₹ in crores unless otherwise stated)*	20.22
Date of allotment	May 5, 2022
Date of listing	May 10, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	May 5, 2022
Date of closing	May 5, 2022
Total issue size *(₹ in crores unless otherwise stated)*	65.08
Date of allotment	May 5, 2022
Date of listing	May 10, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	April 28, 2022
Date of closing	April 28, 2022
Total issue size *(₹ in crores unless otherwise stated)*	40.16
Date of allotment	April 28, 2022
Date of listing	May 4, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DI9
Date of opening	April 26, 2022
Date of closing	April 26, 2022
Total issue size *(₹ in crores unless otherwise stated)*	250.00
Date of allotment	April 26, 2022
Date of listing	April 29, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	April 21, 2022
Date of closing	April 21, 2022
Total issue size *(₹ in crores unless otherwise stated)*	6.65
Date of allotment	April 21, 2022
Date of listing	April 26, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	April 21, 2022
Date of closing	April 21, 2022
Total issue size *(₹ in crores unless otherwise stated)*	15.60
Date of allotment	April 21, 2022
Date of listing	April 26, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	April 13, 2022
Date of closing	April 13, 2022
Total issue size *(₹ in crores unless otherwise stated)*	45.06
Date of allotment	April 13, 2022
Date of listing	April 19, 2022

Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	April 12, 2022
Date of closing	April 12, 2022
Total issue size *(₹ in crores unless otherwise stated)*	14.77
Date of allotment	April 12, 2022
Date of listing	April 18, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DF5
Date of opening	April 6, 2022
Date of closing	April 6, 2022
Total issue size *(₹ in crores unless otherwise stated)*	1.02
Date of allotment	April 6, 2022
Date of listing	April 11, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DH1
Date of opening	April 6, 2022
Date of closing	April 6, 2022
Total issue size *(₹ in crores unless otherwise stated)*	9.03
Date of allotment	April 6, 2022
Date of listing	April 11, 2022
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Fiscal 2024:

Particulars	INE248U07EZ1
Date of opening	Wednesday, May 13, 2024
Date of closing	Wednesday, May 13, 2024
Total issue size (₹ in Crores)	102.36
Date of allotment	Friday, May 14, 2024
Date of listing	Applied to exchange
Utilisation of proceeds	-

Particulars	INE248U07EY4
Date of opening	January 31, 2024
Date of closing	January 31, 2024
Total issue size *(₹ in crores unless otherwise stated)*	115
Date of allotment	January 31, 2024
Date of listing	February 02, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07EZ1
Date of opening	February 14, 2024
Date of closing	February 14, 2024
Total issue size *(₹ in crores unless otherwise stated)*	50
Date of allotment	February 14, 2024

Date of listing	February 16, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FA1
Date of opening	February 28, 2024
Date of closing	February 28, 2024
Total issue size *(₹ in crores unless otherwise stated)*	400
Date of allotment	February 28, 2024
Date of listing	March 01, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FB9
Date of opening	March 07, 2024
Date of closing	March 07, 2024
Total issue size *(₹ in crores unless otherwise stated)*	100
Date of allotment	March 07, 2024
Date of listing	March 12, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FA1
Date of opening	March 14, 2024
Date of closing	March 14, 2024
Total issue size *(₹ in crores unless otherwise stated)*	100.38
Date of allotment	March 14, 2024
Date of listing	March 18, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07EZ1
Date of opening	March 27, 2024
Date of closing	March 27, 2024
Total issue size *(₹ in crores unless otherwise stated)*	35.35
Date of allotment	March 27, 2024
Date of listing	March 28, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07EP2
Date of opening	December 19, 2023
Date of closing	December 19, 2023
Total issue size *(₹ in crores unless otherwise stated)*	54.11
Date of allotment	December 19, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EN7
Date of opening	August 25, 2023
Date of closing	August 25, 2023
Total issue size *(₹ in crores*	8.00

unless otherwise stated)	
Date of allotment	August 25, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EM9
Date of opening	August 18, 2023
Date of closing	August 18, 2023
Total issue size *(₹ in crores unless otherwise stated)*	6.50
Date of allotment	August 18, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EK3
Date of opening	August 10, 2023
Date of closing	August 10, 2023
Total issue size *(₹ in crores unless otherwise stated)*	16.00
Date of allotment	August 10, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EL1
Date of opening	August 10, 2023
Date of closing	August 10, 2023
Total issue size *(₹ in crores unless otherwise stated)*	30.00
Date of allotment	August 10, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EJ5
Date of opening	August 4, 2023
Date of closing	August 4, 2023
Total issue size *(₹ in crores unless otherwise stated)*	13.00
Date of allotment	August 4, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EG1
Date of opening	August 3, 2023
Date of closing	August 3, 2023
Total issue size *(₹ in crores unless otherwise stated)*	10.03
Date of allotment	August 3, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EI7
Date of opening	July 27, 2023

Date of closing	July 27, 2023
Total issue size *(₹ in crores unless otherwise stated)*	2.50
Date of allotment	July 27, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EH9
Date of opening	July 25, 2023
Date of closing	July 25, 2023
Total issue size *(₹ in crores unless otherwise stated)*	27.00
Date of allotment	July 25, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EG1
Date of opening	July 21, 2023
Date of closing	July 21, 2023
Total issue size *(₹ in crores unless otherwise stated)*	41.50
Date of allotment	July 21, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EF3
Date of opening	July 13, 2023
Date of closing	July 13, 2023
Total issue size *(₹ in crores unless otherwise stated)*	2.00
Date of allotment	July 13, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EE6
Date of opening	July 6, 2023
Date of closing	July 6, 2023
Total issue size *(₹ in crores unless otherwise stated)*	12.00
Date of allotment	July 6, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EC0
Date of opening	May 31, 2023
Date of closing	May 31, 2023
Total issue size *(₹ in crores unless otherwise stated)*	4.00
Date of allotment	May 31, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EC0
Date of opening	May 22, 2023
Date of closing	May 22, 2023
Total issue size *(₹ in crores unless otherwise stated)*	20.00
Date of allotment	May 22, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EB2
Date of opening	May 11, 2023
Date of closing	May 11, 2023
Total issue size *(₹ in crores unless otherwise stated)*	16.50
Date of allotment	May 11, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DZ3
Date of opening	April 27, 2023
Date of closing	April 27, 2023
Total issue size *(₹ in crores unless otherwise stated)*	5.50
Date of allotment	April 27, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07EA4
Date of opening	April 27, 2023
Date of closing	April 27, 2023
Total issue size *(₹ in crores unless otherwise stated)*	50.00
Date of allotment	April 27, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DY6
Date of opening	April 18, 2023
Date of closing	April 18, 2023
Total issue size *(₹ in crores unless otherwise stated)*	25.00
Date of allotment	April 18, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents

Particulars	INE248U07DX8
Date of opening	April 6, 2023
Date of closing	April 6, 2023
Total issue size *(₹ in crores unless otherwise stated)*	11.00
Date of allotment	April 6, 2023
Date of listing	Unlisted
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of

	the issue documents

For FY 2024-25 (till Cut-off Date):

Particulars	INE248U07FC7
Date of opening	April 15, 2024
Date of closing	April 15, 2024
Total issue size *(₹ in crores unless otherwise stated)*	50
Date of allotment	April 15, 2024
Date of listing	April 18, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07EZ1
Date of opening	May 13, 2024
Date of closing	May 13, 2024
Total issue size *(₹ in crores unless otherwise stated)*	102.36
Date of allotment	May 14, 2024
Date of listing	May 16, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FN4
Date of opening	June 18, 2024
Date of closing	June 18, 2024
Total issue size *(₹ in crores unless otherwise stated)*	200
Date of allotment	June 19, 2024
Date of listing	June 21, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FO2
Date of opening	August 07, 2024
Date of closing	August 07, 2024
Total issue size *(₹ in crores unless otherwise stated)*	190
Date of allotment	August 08, 2024
Date of listing	August 12, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FO2
Date of opening	September 26, 2024
Date of closing	September 26, 2024
Total issue size *(₹ in crores unless otherwise stated)*	50
Date of allotment	September 26, 2024
Date of listing	Listing is under process
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

Particulars	INE248U07FQ7
Date of opening	October 16, 2024
Date of closing	October 16, 2024
Total issue size *(₹ in crores*	50

unless otherwise stated)	
Date of allotment	September 26, 2024
Date of listing	October 18, 2024
Utilisation of proceeds	The company has utilized the funds as mentioned under the object clause of the issue documents.

iv. Rights issue of equity shares by 360 One Prime Limited

360 One Prime Limited has not undertaken any rights issue of equity shares in the last three years prior to the date of this Shelf Prospectus.

Benefit/ interest accruing to Promoter/ Directors out of the Object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, which made any capital issue during the last three years

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 during the last three years.

Utilisation of proceeds of the Issue by our Group Companies

None of the proceeds of the Issue will be paid to our Group Companies.

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company.

Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.

There has been no refusal of listing of any security of our Company during the last three years prior to the date of this Shelf Prospectus by any Stock Exchange.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on September 30, 2024, our Company has outstanding non-convertible debentures. For further details see "*Financial Indebtedness*" on page 201.

Our Company does not have any outstanding preference shares as at September 30, 2024.

Further, save and except as mentioned in this Shelf Prospectus, our Company has not issued any other outstanding debentures or bonds.

Dividend

Except as stated below, our Company has not declared any dividend over the last three years.

Statement of Dividend on Standalone basis

(₹ in crores unless otherwise stated)

Particulars		**For the period ended September 30, 2024**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Equity Share Capital		26.34	26.34	26.34	20.97
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	-	55.00	40.00	30.00
Interim Dividend on Equity Shares		-	144.90	105.38	62.90
Interim Dividend Declared Rate (in %)	(c= b/a)	-	550%	400%	300%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	-	NA	NA	NA

Particulars		For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Final Dividend on Equity Shares		-	NA	NA	NA
Final Dividend Declared Rate (in %)	(e= d/a)	-	NA	NA	NA

Statement of Dividend on Consolidated basis

(₹ in crores unless otherwise stated)

Particulars		For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Equity Share Capital		26.34	26.34	26.34	20.97
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	-	55.00	40.00	30.00
Interim Dividend on Equity Shares		-	144.90	105.38	62.90
Interim Dividend Declared Rate (in %)	(c= b/a)	-	550%	400%	300%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	-	NA	NA	NA
Final Dividend on Equity Shares		-	NA	NA	NA
Final Dividend Declared Rate (in %)	(e= d/a)	-	NA	NA	NA

Revaluation of assets

Our Company has not revalued its assets in the last three years.

Mechanism for redressal of investor grievances

Link Intime India Private Limited. has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated September 27, 2024 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchanges where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centers, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited
Address: C 101, 247 Park, L. B. S Marg, Vikhroli West, Mumbai - 400 083
Tel No.: +91 810 811 4949
Fax: +91 22 4918 6060
Email: iiflhomefinance.ncd2024@linkintime.co.in
Investor Grievance Email: iiflhomefinance.ncd2024@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within seven (7) days of receipt of the complaint and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

Ajay Jaiswal
Plot No. 98, Udyog Vihar, Phase-IV,
Gurgaon-122015, Haryana,
Tel No.: 0124 4780964
Email: hfcinvestors@iiflhomeloans.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit or unblocking etc.

Details of Auditors to the Issuer

Names of the Joint Statutory Auditors	Address	Auditor since
S.R. Batliboi & Associates LLP, Chartered Accountants	67, Institutional Area, Sector 44, Gurugram, Haryana - 122003	June 29, 2023
Sundaram & Srinivasan, Chartered Accountants	23, C P Ramaswamy Road, Alwarpet, Chennai- 600 018	June 20, 2024

Change in auditors of our Company during the preceding three Financial Years and current Financial Year

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
M/s. M.P. Chitale & Co. Chartered Accountants	M. P. Chitale & Co. Hamam House, 1st Floor, Ambalal Doshi Marg, Fort, Mumbai 400001, India.	Appointed by shareholder in the 14th Annual General Meeting on June 11, 2020 for financial year starting from April 1, 2020"	*March 31, 2023	-
M/s. Suresh Surana & Associates LLP, Chartered Accountant	308-309, Technopolis Knowledge Park, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra-400093	Appointed by shareholder in the Extra-ordinary General Meeting held on September 30, 2021 for financial year starting from April 1, 2021	*March 31, 2024	-
S.R. Batliboi & Associates LLP, Chartered Accountants	67, Institutional Area, Sector 44, Gurugram, Haryana - 122003	Appointed by shareholder in the 17th Annual General Meeting on June 29, 2023 for financial year starting from April 1, 2023	-	-
M/s Sundaram & Srinivasan,	23, C P Ramaswamy Road, Alwarpet, Chennai- 600 018	Appointed by shareholder in the 18th Annual General	-	-

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
Chartered Accountants		Meeting on June 20, 2024 for financial year starting from April 1, 2024		

**Tenure of auditors has expired.*

Details of overall lending by our Company

Lending Policy

For lending policy in relation to each of the products of our Company, please see "*Our Business*" at page 116.

A. Loans given by the Company

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of private placements or public issues of debentures.

B. Type of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2024 is as follows:

(₹ in crores unless otherwise stated)

No.	Type of Loans	Amount	Percentage (%)
1.	Secured	35,490.35	99.98
2.	Unsecured	8.20	0.02
Total assets under management (AUM)		35,498.55	100.00

C. *Denomination of loans outstanding by LTV as on March 31, 2024*

No.	LTV	Percentage of AUM
1.	Up to 40%	11.74%
2.	40%-50%	6.92%
3.	50%-60%	9.19%
4.	60%-70%	19.92%
5.	70%-80%	23.82%
6.	80%-90%	28.40%
7.	More than 90%	0.01%
	Total	100%

D. *Sectoral Exposure as on March 31, 2024*

Sr. No	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	
a.	Mortgages (home loans and loans against property)	97.72%
b.	Gold loans	-
c.	Vehicle Finance	-
d.	MFI	-
e.	MSME	-
f.	Capital market funding (loans against shares, margin funding)	-
g.	Others	-
2.	**Wholesale**	
a.	Infrastructure	-
b.	Real estate (including builder loans)	2.28%
c.	Promoter funding	-
d.	Any other sector (as applicable)	-
e.	Others	-
	Total	**100%**

Note:

1. *These are industry/customer segments and are required to be disclosed under the NCS regulations. The segment reporting in our financial statements is different as it is based on the criteria set out in Ind As 108, Operating Segments.*

E. *Denomination of the loans outstanding by ticket size as on March 31, 2024*

Sr. No.	Ticket size	Percentage of AUM
1.	upto 2 lakh	0.26%
2.	₹ 2-5 lakh	5.70%
3.	₹ 5-10 lakh	12.85%
4.	₹ 10-25 lakh	42.07%
5.	₹ 25-50 lakh	23.71%
6.	₹ 50 lakh- 1 crore	5.81%
7.	₹ 1 crore - 5 crore	5.68%
8.	₹ 5 crore - 25 crore	2.95%
9.	₹ 25 crore - 100 crore	0.98%
	Total	**100%**

F. *Geographical classification of the borrowers as on March 31, 2024*

Sr. No.	Top 5 state wise borrowers	Percentage of AUM
1.	Maharashtra	18.55%
2.	Delhi	12.40%
3.	Telangana	9.20%
4.	Gujarat	8.95%
5.	Uttar Pradesh	8.70%

G. *Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2024*

(₹ in crores unless otherwise stated)

Particulars	Amount
(I) Net NPAs to Net Advances (%)	1.00%
(II) Movement of NPAs (Gross)	
a. Opening balance	386.09
b. Additions during the year	221.75
c. Reductions during the year	(266.93)
d. Closing balance	**340.91**
(III) Movement of Net NPAs	
a. Opening balance	277.90
b. Additions during the year	146.52
c. Reductions during the year	(190.80)
d. Closing balance	**233.62**
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)	
a. Opening balance	108.19
b. Provisions made during the year	75.23
c. Write-off/write-back of excess provisions	(76.13)
d. Closing balance	**107.29**

H. *Segment-wise Gross Stage 3 as at March 31, 2024*

Sector	Stage 3 Loan Assets (in %)
A. Housing Loans	
1. Individuals	1.18%
2. Builders/Project Loans	-
3. Corporates	3.86%
4. Others (specify)	-
B. Non-Housing Loans	
1. Individuals	2.38%
2. Builders/Project Loans	0.00%
3. Corporates	2.13%
4. Others (specify)	-

Note:

1. *The percentage shown above have been computed basis the NPA amount of the category divided by the outstanding of the respective category.*
2. *The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption.*
3. *These are industry/customer segments and are required to be disclosed under the NCS regulations. The segment reporting in our financial statements is different as it is based on the criteria set out in Ind As 108, Operating Segments.*

I. ***Residual Maturity Profile of Assets and Liabilities as on March 31, 2024***

(₹ in crores unless otherwise stated)

	Up to 30/31 days	**More than 1 month to 2 months**	**More than 2 months to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 3 years**	**More than 3 years to 5 years**	**More than 5 years**	**Total**
Deposit									
Advances	811.28	414.99	433.31	950.61	1,988.69	6,443.56	4,299.34	7798.70	23,140.48
Investments	98.38	6.36	0.12	0.26	55.05	104.98	77.81	240.16	583.12
Borrowings	170.39	286.84	422.29	673.17	1,715.21	4,847.56	4,650.88	3,393.29	16,159.63
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	9.44	56.25	-	67.73	135.45	490.77	341.80	422.55	1,523.99

J.

(a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2024

(₹ in crores unless otherwise stated)

Particulars	**Amount**
Total Loans & Advances to twenty largest borrowers	538.13
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.29%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2024

(₹ in crores unless otherwise stated)

Particulars	**Amount**
Total Exposure to twenty largest borrowers / customers	1,128.78
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	4.13%

K. ***Classification of loans/advances given to associates, entities/ person relating to board, senior management, promoters, others, etc., as on March 31, 2024***

Sr. No.	**Name of Borrower**	**Amount of loans to such borrower** *(₹ in crores unless otherwise stated)* **(A)**	**Percentage of A (A/ exposure)**	**Percentage of A (A/Loan Book$)**
1.	Nil			

Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability.

Other than as disclosed in "*Risk Factor – 33 - We have contingent liabilities as at September 30, 2024 in accordance with Ind AS 37 and our financial condition may be adversely affected if these contingent liabilities materialize*" on page 42, there are no other contingent liabilities of the Issuer, as per Ind AS 37.

In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of the respective Tranche Issue. The advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of this Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks

Other than as disclosed in the chapter titled "*Risk Factors*", on page 22 and in the chapter titled "*Outstanding Litigations and Other Matters*", on page 227, there are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last three Fiscals, immediately preceding this Shelf Prospectus.

Trading

The non-convertible debentures of our Company are currently listed on NSE and BSE and are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹0.50 crore or with both.

Disclaimer in respect of Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 320.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Shelf Prospectus, the relevant Tranche Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Issuer	IIFL Home Finance Limited
Type of instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Lead Managers	Trust Investment Advisors Private Limited and IIFL Capital Services Limited (formerly known as IIFL Securities Limited)* **IIFL Capital Services Limited (formerly known as IIFL Securities Limited) is deemed to be an associate of the Issuer as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Capital Services Limited (formerly known as IIFL Securities Limited) would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations shall not issue a due diligence certificate.*
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar to the Issue	Link Intime India Private Limited
Issue	Public Issue by the Company of up to 3,00,00,000 secured, rated, listed, redeemable, Non-convertible Debentures of face value ₹ 1,000 each ("**NCDs**" or "**Debentures**"), aggregating up to ₹ 3,000 crore ("**Shelf Limit**") ("**Issue**"). The NCDs will be issued in one or more tranches (each being a "**Tranche Issue**") up to the Shelf Limit, on terms and conditions as set out in this Shelf Prospectus and relevant Tranche Prospectus. The Issue is being made pursuant to the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**"), the Companies Act, 2013 and rules made thereunder as amended (the "**Companies Act, 2013**") to the extent notified and the SEBI Master Circular, as amended from time to time.
Minimum Subscription	As specified in the relevant Tranche Prospectus
Seniority	Senior
Issue Size	As specified in the relevant Tranche Prospectus
Base Issue Size	As specified in the relevant Tranche Prospectus
Option to Retain Oversubscription / Green shoe option (Amount)	As specified in the relevant Tranche Prospectus
Eligible Investors	Please see "*Issue Procedure –Who can apply?*" on page 337.
Objects of the Issue / Purpose for which there is requirement of funds	Please see "*Object of the Issue*" on page 83.
Details of Utilization of the Proceeds	Please see "*Object of the Issue*" on page 83.
Coupon rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Coupon Payment Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Coupon Type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Coupon reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue

Interest Rate on each category of investor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step Down Coupon rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual / Actual
Interest on application money	NA
Default Interest rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least 2% (two percent) per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Premium/ Discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Premium/Discount at which security is redeemed and effective yield as a result of such premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Transaction Documents	Transaction Documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, "*Material Contracts and Document for Inspection*" on page 396.
Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.
Market Lot / Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit Ratings / Rating of the instrument	The NCDs proposed to be issued under the Issue have been rated "CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook)" for an amount of ₹ 3,000 Crore by CRISIL vide their rating letter dated September 30, 2024, revalidated vide letter dated November 21, 2024 read with the rating rationale dated September 30, 2024 and updated rating rationale as on November 26, 2024 and IND AA/Stable

	for an amount of ₹ 3,000 Crore by India Ratings vide their rating letter dated September 9, 2024, revalidated vide letter dated November 25, 2024 read with rating rationale dated September 9, 2024 and updated rationale dated November 14, 2024. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk. Ratings given by CRISIL and India Ratings are valid as on the date of this Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange unless withdrawn In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre issue advertisement has been given. The rating is not a recommendation to buy, sell or hold the rated instrument and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of factors such as new information. For the rating letter, rationale and press release for these ratings, see "**Annexure A**" of this Shelf Prospectus. There are no unaccepted ratings and any other ratings other than as specified in this Shelf Prospectus.
Stock Exchange/s proposed for listing of the NCDs	BSE Limited and National Stock Exchange of India Limited
Listing and timeline for listing	The NCDs are proposed to be listed on NSE and BSE. The NCDs shall be listed within six Working Days or within 3 (three) Working Days, from the date of closure of the Issue, in accordance with the terms of SEBI circular SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/129 dated September 26, 2024 and such other instructions or directions issued by SEBI in this regard, from time to time. NSE has been appointed as the Designated Stock Exchange. For more information see "*Other Regulatory and Statutory Disclosures*" on page 251.
Modes of payment	Please see *"Issue Structure – Terms of Payment"* on page 318.
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue
Date of earliest closing of the issue, if any	As specified in the relevant Tranche Prospectus for each Tranche Issue
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under the relevant Tranche Prospectus(es) as may be determined by the Company. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.
Settlement mode of instrument	As specified in the relevant Tranche Prospectus for each Tranche Issue
Disclosure of interest/ Dividend/redemption dates	As specified in the relevant Tranche Prospectus for each Tranche Issue
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As specified in the relevant Tranche Prospectus for each Tranche Issue and the Debenture Trust Deed.
Issue Schedule**	As specified in the relevant Tranche Prospectus for each Tranche Issue
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/	The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first *pari-passu*/ specified charge by way of hypothecation of identified book debts of the Company, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.0 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date.

likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Shelf Prospectus	Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Shelf Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see "*Terms of the Issue – Security*" on page 320.
Security Cover	Our Company shall maintain a minimum 1x security cover on the outstanding balance of the NCDs plus accrued interest thereon
Condition precedent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedents to the Issue.
Condition subsequent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please see "*Terms of the Issue – Events of Default*" on page 321.
Creation of recovery expense fund	Our Company has created a recovery expense fund and has transferred the required amount towards recovery expense fund in the manner as specified by SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding transfer of amount toward such fund.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Shelf Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please see "*Terms of the Issue - Events of default*" on page 321.
Deemed date of Allotment	The date on which our Board of Directors or the Finance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Finance Committee thereof and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in the relevant Tranche Prospectus) shall be available to the Debenture holders from the deemed date of allotment
Roles and responsibilities of the Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act, the Listing Agreement, and the Debenture Trust Deed, each as amended from time to time. Please see section titled "*Terms of the Issue- Trustees for the NCD Holders*" on page 321.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 22.
Provisions related to Cross Default Clause	As per the Debenture Trust Deed to be executed in accordance with applicable law.
Governing law and Jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working day convention / Day count convention / Effect of holidays on payment	Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "Effective Date"), however the dates of the future interest payments would continue to be as per the

	originally stipulated schedule. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business (provided that on any trading day of Stock Exchanges if commercial banks in Mumbai are closed, it will be considered as Working Day). Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Notes:
**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*
*** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of two working days and a maximum period of ten working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing relevant tranche prospectus with ROC including any extensions), as may be decided by the Board of Directors of our Company or Finance Committee thereof, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the relevant Tranche Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. For further details please see "General Information" on page 58.*
**For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 396.*
While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Specific terms for NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Refund"* on page 330.

Participation by any of the Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business (provided that on any trading day of Stock Exchanges if commercial banks in Mumbai are closed, it will be considered as Working Day). Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled “*Issue Procedure*” on page 337.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on July 29, 2024, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 3,000 crores in one or more tranches. Further, the present borrowing is within the borrowing limits of ₹ 35,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the Annual General Meeting held on March 31, 2023.

The Draft Shelf Prospectus has been approved by the Finance Committee at its meeting held on September 30, 2024 and this Shelf Prospectus has been approved by the Finance Committee at its meeting held on November 27, 2024. The NCDs pursuant to this Issue will be issued on terms and conditions as set out in the Shelf Prospectus and the relevant Tranche Prospectus for each Tranche Issue.

Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of first *pari-passu*/ specified charge by way of hypothecation of identified book debts of the Company, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.0 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating a first *pari-passu*/ specified charge in favor of the Debenture Trustee in relation to the NCDs.

In terms of SEBI Debenture Trustee Master Circular, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with the Issue. Our Company undertakes, inter alia, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or pari passu charge or exclusive charge on the assets of the Issuer have been obtained from the earlier creditors. Our Company has applied to the prior creditors for such permissions or consents and has received such permissions or consents from all prior creditors.

Security

The principal amount of the NCDs to be issued in terms of this Shelf Prospectus together with all interest due and payable on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements thereof shall be secured by way of first *pari-passu*/ specified charge by way of hypothecation of identified book debts of the Company, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover to the extent of 1.0 times of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating a first *pari-passu*/ specified charge in favor of the Debenture Trustee in relation to the NCDs.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest ("**CERSAI**") or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, (**"Debenture Trust Deed"**) terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Shelf Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace it with another asset of the same or a higher value.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace it with another asset of the same or higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Shelf Prospectus, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Shelf Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹1,000.

Trustees for the NCD Holders

Our Company has appointed Catalyst Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders (except the point (i), (ii), (iii) and (iv) listed below), or as specifically stated in terms of the Debenture Trust Deed, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

i. default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
ii. default is committed in payment of the principal amount of the NCDs on the due date(s);
iii. default is committed in payment of any interest on the NCDs on the due date(s);
iv. default is committed in the performance of Rating Covenant, if any;
v. When the default is committed in the performance or observance of any covenant, condition or provision in relation to the secured debentures, except where the Debenture Trustee certifies that such default is in its final and confirmed reasonable opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied;
    a) Default is committed if any information given to the Company in the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect; such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.
    b) Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court; such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.
vi. The Company has voluntarily or involuntarily become the subject of proceedings which is not stayed or vacated within 45 (forty five) under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
vii. Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts within 45 (forty five) days
viii. The Company ceases to carry on its business or gives notice of its intention to do so;
ix. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
x. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures; and such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the company requiring the same to be remedied
    a) Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company and such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.
xi. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
xii. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
xiii. If it becomes unlawful for the company to perform any of its obligations under any transaction document;
xiv. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;
xv. Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective; and it continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.
xvi. Any security created over any of the hypothecated properties at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties; and it continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.
xvii. Any expropriation, attachment, sequestration, distress, execution or any other creditors' process affects hypothecated properties of the Company and it continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied;

xviii. Any misrepresentation in the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and the Transaction Documents which have material impact on debenture holders.

xix. Revocation of business, operating license; and

xx. Any other event described as an Event of Default in the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and the Transaction Documents. and such default continues for 30 (thirty) days after written notice has been given by the Debenture Trustee to the Company requiring the same to be remedied.

In terms of the SEBI NCS Regulations, any default committed by the issuer shall be reckoned at the International Securities Identification Number level notwithstanding the debt securities and/or non-convertible redeemable preference shares being issued under different offer documents.

Any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of NCDs at any point of time or as set out in the Debenture Trust Deed, except for any default relating to points i, ii, iii and iv under the "Indicative list of Events of Default" given above, where no such consent/ resolution of NCD holders will be required for calling of event of default.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt. It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned SEBI Debenture Trustee Master Circular.

In case of any default in payment of interest or redemption of debt securities or in creation of security in accordance with the terms of the offer document, any distribution of dividend by the Issuer shall require approval of the debenture trustee.

In case of any other Event of Defaults (other than payment defaults stated above) the Debenture Trustee shall, on the instructions of the NCD Holders, by a notice in writing to the Company initiate further course of action in accordance with the Debenture Trust Deed.

In accordance with SEBI Debenture Trustee Master Circular, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to receive notices, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.
2. In terms of Section 136 (1) of the Companies Act, 2013 and Rule 18(8) of Companies (Share Capital and Debentures) Rules, 2014, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed at the Registered Office of our Company during business hours on a specific request made to us.
3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
6. Subject to RTA Master Circular, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.
7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Shelf Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014), the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder‘s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014), any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, Maharashtra.

Application in the Issue

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchanges shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "*Issue Procedure*" beginning on page 337.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue – Interest/ Coupon on NCDs*" on page 327 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Procedure for rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

Period of subscription

ISSUE PROGRAMME	
Issue Opens On	As specified in respective Tranche Prospectus
Issue Closes On	As specified in respective Tranche Prospectus
Pay In Date	Application Date. The entire Application Amount is payable on Application
Deemed Date Of Allotment	The date on which our Board of Directors or Finance Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or Finance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in the relevant Tranche Prospectus) shall be available to the Debenture holders from the deemed date of allotment

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of two working days and a maximum period of ten working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing relevant tranche prospectus with ROC including any extensions), as may be decided by the Board of Directors of our Company or Finance Committee thereof, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the relevant Tranche Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre-issue advertisement for opening of the relevant Tranche Issue has been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time). on one Working Day post the Issue Closing Date.*

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m.(Indian Standard Time) (“**Bidding Period**”) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated -cations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Interest/Premium and Payment of Interest/ Premium

Interest/ Coupon on NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue

Basis of payment of Interest

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Shelf Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the "*Terms of the Issue - Manner of Payment of Interest / Refund / Redemption*" beginning on page 330.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest;
b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted atleast 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at https://www.iiflhomeloans.com or the Registrar at www.linkintime.co.in, from time to time.

Registrar to the Issue

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

Tel: +91 810 811 4949
Fax: +91 22 4918 6060
Email: iiflhomefinance.ncd2024@linkintime.co.in
Investor Grievance mail: iiflhomefinance.ncd2024@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan

Link for availability of formats of declaration/ certificates and online submission of tax exemption forms: https://iifl.taxosmart.com/form.jsp

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 337, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the Interest Payment Date falls on a day other than a Working Day (Sundays or holidays of commercial banks in Mumbai), the interest payment as due and payable on such day shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact as per the originally stipulated schedule and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular will be disclosed in the relevant Tranche Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put / Call Option

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

The date on which our Board of Directors or the Finance Committee thereof approves the Allotment of the NCDs for the Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in the relevant Tranche Prospectus) shall be available to the Debenture holders from the deemed date of allotment.

Application in the Issue

NCDs being issued through this Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Application Size

Each Application should be for a minimum of 10 NCDs across all series collectively and multiples of one NCD thereof (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 across all series collectively and in multiples of ₹1,000 thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Shelf Prospectus(es).

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 calendar days prior to the date of payment of interest, and/or the date of redemption under this Shelf Prospectus.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue - Procedure for rematerialisation of NCDs*" on page 326.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("MICR") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

   For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

   Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

   Please note that our Company shall not be responsible to the holder of NCDs for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

   In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of Bank Particulars on Interest/redemption Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Right to recall or redeem prior to maturity

As will be specified in the relevant Tranche Prospectus.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

Procedure for redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in electronic form

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence, the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date, and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/ Transmission of NCDs

For NCDs held in physical form on account of rematerialisation

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter, these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Sharing of Information

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiary, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner by creating a charge on any assets, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or intimation to, the NCD Holders or the Debenture Trustee and compliance with other terms of the Transaction Documents.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Shelf Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre-issue advertisement have been given.

Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size of the relevant tranche issue. If our Company does not receive the minimum subscription of 75% of Base Issue Size of the relevant tranche issue, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in the SEBI Master Circular.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the "*Issue Procedure*" beginning on page 337.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date of respective tranche Prospectus (also the Issue should remain open for minimum two working days), subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size for relevant tranche prospectus. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size for relevant tranche prospectus within the timelines prescribed under applicable laws, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date as specified in this Shelf Prospectus, or such time as may be specified by SEBI. In case of failure of the Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be unblocked in the Applicants ASBA Account within two Working Days from the scheduled listing date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum from the scheduled listing date till the date of actual payment.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchanges as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

Our Board of Directors certifies that:

i. all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
ii. the allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period
iii. details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
iv. details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;
v. we shall utilize the Issue proceeds only upon creation of security as stated in the relevant Tranche Prospectus and after (a) permissions or consents for creation of charge over the assets of the Company and for further raising of funds have been obtained from the creditors; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) execution of DTD and creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchanges;
vi. the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;
vii. the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
viii. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 360.

Listing

The NCDs offered through this Shelf Prospectus are proposed to be listed on BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter bearing reference number DCS/HB/PI-BOND/23/24-25 dated October 14, 2024 and from NSE *vide* their letter bearing reference number NSE/LIST/D/2024/0320 dated October 11, 2024. For the purposes of the Issue, NSE shall be the Designated Stock Exchange. Final Application for listing of the NCDs will be made to the Stock Exchanges in terms of SEBI NCS Regulations and the SEBI Master Circular for the Issue.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Shelf Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on Pledge of NCDs

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor may use the Unified Payment Interface ("**UPI**") to participate in the public issue for an amount up to ₹ 5,00,000 through the app/web interface of the Stock Exchanges or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Shelf Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Company and the Lead Managers are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE RELEVANT TRANCHE PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days on which the commercial banks in Mumbai are open for business, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business. Furthermore, for the purpose the time period between the bid/ issue closing date and the listing of the NCDs, Working Days shall mean all trading days of the stock exchanges excluding Saturdays, Sundays and bank holidays as specified by SEBI.

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I (Institutional Investors)

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Companies;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II (Non-Institutional Investors)

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III (High Net-worth Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

Category IV (Retail Individual Investors)

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Members of Consortium and its respective associates and affiliates are permitted to subscribe in the Issue.

Applications cannot be made by:

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

a. Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian; It is further clarified that it is the responsibility of the Applicant to ensure that the guardians are competent to contract under applicable statutory/regulatory requirements);
b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
c. Persons resident outside India and other foreign entities;
d. Foreign Institutional Investors;
e. Foreign Portfolio Investors;
f. Non Resident Indians;
g. Qualified Foreign Investors;
h. Overseas Corporate Bodies**;
i. Foreign Venture Capital Funds; and
j. Persons ineligible to contract under applicable statutory/ regulatory requirements.

** Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

The information below is given for the benefit of Applicants. Our Company and the Lead Managers is not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus and relevant Tranche Prospectus for each relevant Tranche Issue together with Application Forms and copies of the Draft Shelf Prospectus / Shelf Prospectus and relevant Tranche Prospectus may be obtained from:

1. Our Registered Office,
2. Office of the Lead Managers,
3. Office of the Consortium Member,
4. Registrar to the Issue,
5. Designated RTA Locations for RTAs, and
6. Designated CDP Locations for CDPs

Additionally, Electronic copies of the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus along with the downloadable version of the Application Forms will be available.

(i) for download on the website of BSE at www.bseindia.com, NSE at www.nseindia.com and the website of the Lead Managers at www.trustgroup.in and www.iiflcap.com.
(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic copies of this Shelf Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, Stock Exchanges, SEBI and SCSBs

Electronic Application Forms will also be available on the website of the Stock Exchange Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit.

In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Please note that there is a single Application Form for, persons resident in India.

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Method of Application

In terms of the SEBI Master Circular an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchanges which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**").

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a RIB who is not applying using the UPI Mechanism. For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchanges.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchanges bidding platform and blocking of funds in investors account by the SCSB would continue.
b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 Lakh or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchanges*

a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.
b. The Stock Exchanges have extended their web-based platforms i.e., 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 Lakh. To place bid through 'BSEDirect' platform and NSE goBID platform / mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.
c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://www.nseindiaipo.com.
d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications
e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61. Similar circulars by NSE can be found here: x https://www1.nseindia.com/content/circulars/IPO46907.zip x https://www1.nseindia.com/content/circulars/IPO46867.zipFurther, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for the financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (vi) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) certificate registered with IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of

attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Systematically Important Non-banking financial companies

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in the Issue.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Member or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchanges, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Consortium Member or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges. In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number ("**UAN**") and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the SEBI Master Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

The Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for the Issue**.**

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not

bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of Stock Exchange(s).

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Draft Shelf Prospectus

The Draft Shelf Prospectus is filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on their website(s) and SEBI. The Draft Shelf Prospectus has also been displayed on the websites of the Company and the Lead Managers.

Filing of this Shelf Prospectus and the relevant Tranche Prospectus with the RoC

A copy of this Shelf Prospectus has been filed and relevant Tranche Prospectus shall be filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of the relevant Tranche Issue. The advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and relevant Tranche Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

1. Applications must be made in the prescribed Application Form.
2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Shelf Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
8. Applicants must ensure that their Application Forms are made in a single name.
9. It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
10. The minimum number of Applications and minimum application size. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
11. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA

Account holder also, in accordance with the instructions provided in the Application Form.

12. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
13. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
14. Applications for all the series of the NCDs may be made in a single Application Form only.

Additional Instructions for Retail Individual Investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
19. The allotment of debt securities shall be done as per SEBI Master Circular.
20. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications

(with and without the use of UPI) and prepare the basis of allotment.

21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
23. Thereafter, Stock Exchange will issue the listing and trading approval.
24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
    i. Investor shall check the Issue details before placing desired bids;
    ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
    iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
    iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
    v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
    vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
    vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.
25. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:
    i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
    ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
    iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
    iv. UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
    v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
    vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Shelf Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE

REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID,PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID,PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

a. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchanges. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchanges. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.
b. Physically through the Consortium Member, Lead Managers, or Trading Members of the Stock Exchanges only at the Specified Cities i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Member, Lead Managers or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Member, Lead Managers or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).
c. A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchanges' bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchanges' bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

a. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Shelf Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
b. The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchanges, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please see section titled "*Issue Related Information*" on page 314.
c. In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Member or Trading Members of the Stock Exchanges, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries)
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus, the Abridged Prospectus and the Application Form.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for

Allotment of the NCDs.

- The minimum number of Applications and minimum application size shall be specified in the Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Consortium Member, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Consortium Member, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the SEBI Master Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.
- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Consortium Member, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

Please note in accordance with Chapter IIA of SEBI Master Circular, instructions to investors for completing the application form as specified in Annex- IIC of the SEBI Master Circular shall be disclosed on the websites of the Company, Lead Managers and Consortium Member during the relevant Tranche Issue Period and a copy of the Abridged Prospectus shall be made available on the websites of Company, Lead Managers and Registrar to the Issue and a link for downloading the Abridged Prospectus shall be provided in issue advertisement for relevant Tranche Issue.

Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot such series of NCDs, as specified in this Shelf Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialized form must mention their DP ID ,Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchanges, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchanges, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the

Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of RTA Master Circular, and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market. In accordance with RTA Master Circular, issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

D. Joint Applications

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in this Shelf Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple

Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

F. Unified Payments Interface (UPI)

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Electronic registration of Applications

a. The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchanges or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

b. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*Issue Structure*" on page 314.

c. Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

d. At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.

e. With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number

- Application amount

f. With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

   - Application Form number
   - PAN (of the first Applicant, in case of more than one Applicant)
   - Investor category and sub-category
   - DP ID
   - Client ID
   - UPI ID (if applicable)
   - Number of NCDs applied for
   - Price per NCD
   - Bank code for the SCSB where the ASBA Account is maintained
   - Location
   - Application amount

g. A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

h. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

i. In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges.

j. Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

Do's

1. Check if you are eligible to apply as per the terms of this Shelf Prospectus and relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. ASBA Applicants should ensure that they receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, for the submission of

the Application Form.

8. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be;
9. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
10. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
11. Ensure that you have been given a TRS and an acknowledgement as proof of having accepted the Application Form;
12. Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.
13. ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism
14. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
15. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
17. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges, match with the DP ID, Client ID and PAN available in the Depository database;
18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
19. Ensure that the Applications are submitted to the Lead Managers, Consortium Members, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 314;
20. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
21. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
22. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
23. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

24. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
25. Tick the series of NCDs in the Application Form that you wish to apply for.
26. Check if you are eligible to Apply under ASBA;
27. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000;
28. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
29. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchanges' App/ Web interface
30. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
31. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
32. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
33. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Member, sub-consortium member, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company;
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;
6. Do not apply from UPI handle for which the Issuer Bank is not notified under Registered Intermediaries with SEBI;
7. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
8. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
9. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
10. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
11. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
12. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
13. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
14. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
15. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
16. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter*-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
17. Do not make an application of the NCD on multiple copies taken of a single form.
18. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
19. Do not send your physical Application Form by post. Instead, submit the same to a Designated Branch or the Lead

Managers or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities; and

20. Do not submit more than five Application Forms per ASBA Account.
21. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
22. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
23. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see "*Rejection of Applications*" on page 360 for information on rejection of Applications.

Submission of completed Application Forms

For details in relation to the manner of submission of Application Forms, see "*Issue Procedure*" beginning on page 337.

OTHER INSTRUCTIONS

Depository Arrangements

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated December 17, 2012 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated September 9, 2010 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
7. It may be noted that NCDs in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
9. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 337.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any Post-Issue related problems, such as non-receipt of

Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by our Company

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
(e) we shall utilize the Issue proceeds only upon creation of security as stated in this Shelf Prospectus in the section titled "*Terms of the Issue*" on page 320 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) execution of DTD and creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchanges;
(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
(g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

a. Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily;
b. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
c. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Issue Closing Date;
d. Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
e. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Joint Statutory Auditors, to the Debenture Trustee;
f. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Shelf Prospectus;
g. We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time;
h. We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor;
i. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an

ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

- Application Amount paid being higher than the value of NCDs applied for. However, the Company may allot NCDs up to the number of NCDs applied for, if the value of such Bonds applied for, exceeds the Minimum Application Size;
- Application Amounts paid not tallying with the number of NCDs applied for;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications not uploaded on the terminals of the stock exchange(s)
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchanges;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Shelf Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications tendered to the Trading Members of the stock exchange(s) at centers other than the centers mentioned in the Application Form;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- Where Demat account details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of Stock Exchanges;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Shelf Prospectus and as per the instructions in the Application Form;
- UPI Mandate Request is not approved by Retail Individual Investors.

Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below "*Issue Procedure-Information for Applicants*".

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchanges, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, Consortium Member and Trading Members of the Stock Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar‘s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchanges, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant’s sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

a. Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
b. Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
c. Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and
d. Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Basis of Allotment

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Allocation Ratio

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus for each Tranche Issue.

Unblocking of funds:

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Issuance of Allotment Advice

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Investor Withdrawals and Pre-closure

<u>Investor Withdrawal:</u> *Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.*

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable.

<u>Pre-closure/ Early Closure:</u> *Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date* of respective tranche Prospectus (also the Issue should remain open for minimum two working days), *subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.*

In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers or electronic modes such as online newspapers or website of the issuer or the stock exchange in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Issue Closing Date. In the event, there is a delay by our Company in unblocking the aforesaid ASBA Account within the prescribed time limit our Company will become liable to refund the Application Amount along with interest at the rate of 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

SECTION VIII – ARTICLES OF ASSOCIATION

PART A

GENERAL ARTICLES

1.	The Regulations contained in Table "F" in the Schedule I to the Companies Act, 2013, as are applicable to the public company limited by shares, shall apply to the company so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table "F", the provisions of these articles shall prevail. The marginal notes used in these Articles shall not affect the construction thereof.	"Table F" to apply save as varied
2.	In the Interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or context thereof. "Act" means the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force. "The Articles" means the Articles of Association as originally framed or as from time to time altered in accordance with the provisions of the Act. "Board of Directors" or "The Board" means the collective body of the Directors of the Company. "The Company" means IIFL Home Finance Limited. "The Director" means the Director appointed to the Board of the Company. "The Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called. "Shareholder" or "member" means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the Shares in the records of a Depository. "Seal" means the Common Seal of the Company, if any. Words importing the singular number include the plural number and vice versa and words importing the masculine gender also include feminine gender. Words importing persons include Corporations.	Definitions
	PUBLIC COMPANY	
3.	The Company is a public limited company as per Section 2(71) of the Companies Act, 2013, and accordingly: (a) is not a private company; (b) has a minimum paid-up share capital of five lakh rupee or such higher paid-up capital, as may be prescribed: Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purpose of this Act even where such subsidiary company continues to be a private company in its article; (c) the right to transfer Shares in the Company in the manner and to the extent hereinafter provided; (d) Invitation shall be issued to the public to subscribe for any Securities of the Company.	"Public Company"
4.	When the Act and/or Rules are subsequently amended or clarifications/ circulars/ notifications/etc. issued, exempting a public company from compliance with any provisions of the Act and/or Rules, then notwithstanding anything contrary set out in these Articles, such exemptions shall extend to these Articles and the Company shall not be required to comply with any such provisions or may at the discretion of the Board apply to the extent and in a manner the Board deems fit from time to time, without requiring an amendment to these Articles.	Applicability of these Articles
	SHARE CAPITAL AND VARIATION OF RIGHTS	
5.	The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company with power to increase or reduce such capital from time to time in accordance with the Articles and Legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time	Share Capital

	being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.	
6.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par and at such time as they may from time to time think fit.	Shares under control of the Board
7.	The Company may issue the following kind of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital— (i) with voting rights; or (ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and (b) preference share capital	Kind of Share Capital
8.	(a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the register of transfer or transmission or within such other period as the conditions of issue provide: (i) One certificate for all his shares without payment of any charges; or (ii) Several certificates, each for one or more of his shares, upon payment of twenty rupees or such other amount as may be fixed by the Board, for each certificate after the first. (b) In terms of the requirement of the Act and Rules made there under, every certificate will be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	Issue of Certificate
9.	(a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee or on payment of such other fees as may be fixed by the Board from time to time in accordance with the Act, for each certificate. (b) The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Issue of new share certificate in place of one defaced, lost or destroyed Provisions as to issue of certificate to apply *mutatis mutandis* to debentures, etc
10.	(a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act. (b) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.	Variations of the members right Provisions as to general meetings to apply *mutatis mutandis* to each meeting

11.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.	Issue of further shares not to affect rights of existing members
12.	Subject to the provisions of the Act, any preference shares may, with the sanction of a special resolution, be issued or re issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by such special resolution, determine.	Power to issue redeemable preference shares
13.	(a) The Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to: (i) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (ii) employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or (iii) any persons, whether or not those persons include the persons referred to in article 13(i)(a) or 13(i)(b) above, subject to approval by the shareholders of the Company by way of a special resolution. (b) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules	Further issue of share capital Mode of further issue of shares
14.	Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India, if applicable and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.	Sweat equity shares
15.	Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise.	Terms of issue of debentures
16.	Notwithstanding anything contained elsewhere in these Articles, the Board may in their absolute discretion refuse sub-division of share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.	Right of Directors to refuse sub-division
17.	Notwithstanding anything contained elsewhere in these Articles, a certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in these Articles in respect of the rights of a member/debenture holder of the Company shall *mutatis mutandis* apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all other rights available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles.	Issue of certificates, if required, in the case of shares/debentures/ other securities and rights of beneficial owner of such shares/debentures/ other securities.

DEMATERIALISATION OF SECURITIES

18.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a register of members/ debenture-holders/ other security-holders with the details of members/ debenture-holders/ other security-holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.	Company entitled to dematerialise its shares, debentures and other securities
19.	Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.	Option to hold shares in electronic or physical form

CALLS ON SHARES

20.	(a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for payment of the last preceding call.	Board may make calls
	(b) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	(c) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend time for payment

TRANSFER & TRANSMISSION OF SHARES

21.	(a) The instrument of transfer of any share in the Company which is in physical form shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	Instrument of transfer to be executed by transferor and transferee
22.	The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures: Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board/ Committee that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board/ Committee may think fit: Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.	Transfer not to be registered except on production of instrument of transfer
23.	Subject to the provisions of the Act and Rules made there under, in case of shares held in physical form, the Board may, subject to the right of appeal conferred by the Act decline to register any transfer of shares on which the Company has a lien.	Board / Committee may refuse to register transfer
24.	A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.	Transfer by legal representative

25.	Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice. For the purpose of above Article, notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of seven days from the date of dispatch.	Transfer of partly paid shares
26.	In case of shares held in physical form, the Board/ Committee may decline to recognize any instrument of transfer unless: (a) the instrument of transfer is in the form as prescribed in the Rules or under the Act, (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.	Board may decline to recognize instrument of transfer
27.	If the Company refuses to register the transfer of any share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee and transferor.	Notice of refusal to be given to transferor and transferee
28.	No transfer shall be made to a person of unsound mind. However, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.	No transfer to minor
29.	All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.	When transfers to be retained
30.	The Board/ Committee may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.	Fee on transfer
31.	The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of members or the register of debenture-holders or other security holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.	Power to close Register of Members or other security-holders
32.	(a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. (b) Nothing in Article 32(i) above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Title to shares on death of a member Estate of deceased member liable
33.	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity to the Company

FORFEITURE OF SHARES

34.	Regulation 28 to 34 of table F shall apply.	Forfeiture of Shares

BUY BACK OF SHARES

35.	Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as it may think necessary, subject to such approvals as required by the Act.	Buy-back of shares

GENERAL MEETINGS AND PROCEEDINGS AT GENERAL MEETINGS

36.	A General Meeting of the Company may be called by giving not less than clear 21 days' notice either in writing or through electronic mode in such manner as may be prescribed. The accidental omission to give any such notice or the non-receipt of any such notice by any of the members to whom it should be given shall not invalidate any resolution passed or proceeding held at any such meeting.	Notice of General Meeting
37.	(a) The Board may, subject to the provisions of the Act and rules made there under, whenever it thinks fit, call an extraordinary general meeting. (b) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	Powers of Board to call extraordinary general meeting
38.	(a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. (b) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.	Presence of Quorum Quorum for general meeting
39.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company. No business shall be discussed or transacted at any General Meeting whilst the chair is vacant, except election of Chairperson. If there is no such chairman, or if he is not present within 15 minutes after the time appointed for holding the meeting, or he is unwilling to act as chairperson of the meeting or in the absence of Chairman the Directors present shall elect one of their members to be chairman of the meeting.	Chairperson of the meetings
40.	The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Power of Chairperson
41.	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
42.	(a) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act & Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. (b) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting: (i) is, or could reasonably be regarded, as defamatory of any person; or (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interests of the Company. (c) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid Article. (d) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes of proceedings of meetings and resolutions passed by postal ballot Discretion of the chairperson in relation to Minutes Minutes to be evidence
43.	(a) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall be kept at the registered office of the Company or at any other place in line with the requirements of Companies Act, 2013. (b) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment	Inspection of minute books of general meeting

	of such fees as may be fixed by the Board, with a copy of any minutes referred to above.	Members may obtain copy of the minutes

ADJOURNMENT OF MEETING

44.	(a) The Chairperson may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (d) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Chairperson may adjourn the meeting Business at adjourned meeting Notice of adjourned meeting Notice of adjourned meeting not required

VOTING RIGHTS

45.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company.	Entitlement to vote on show of hands and on poll
46.	Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons, as he deems necessary to scrutinize the poll process and votes given on the poll and to report thereon to him;	Scrutinizers at poll

BOARD OF DIRECTORS

47.	Unless otherwise determined by the Company in general meeting and in line with the provisions of the Act, the number of Directors shall not be less than 3 (three) and shall not be more than 15(Fifteen). The following are the first Directors of the company: (a) Shri Nirmal Jain (b) Shri Rajamani Venkataraman (c) Shri Mukesh Kumar Singh (d) Shri R Mohan (e) Shri Kapil Krishan	Board of directors
48.	Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments/securities to, any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies or any other body corporate (“Lender(s)”) and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity shares in the Company as a result of conversion of such loans/debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint to appoint any person as a director pursuant to any agreement,(which Director or Directors is / are herein after referred to as “Nominee Director(s) / Observer(s)”) on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender.	Nominee Directors

49.	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to the provisions of the Act.	Same individual may be Chairperson and Managing Director / Chief Executive Officer
50.	(a) The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. (b) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them— (i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (ii) in connection with the business of the company.	Remuneration to require members' consent Travelling and other expenses
51.	Subject to the provisions of the Act and Rules made there under, the fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors/ Committee from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.	
52.	(a) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. (b) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director subject to the provisions of the Act.	Appointment of Additional director Duration of the office of the additional director
53.	The Board may appoint an alternate director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of alternate director
54.	An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of alternate director
55.	If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provision applicable to Original Director
56.	(a) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. (b) The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.	Appointment of director to fill casual vacancies Duration of office of Director appointed to fill casual vacancies

PROCEEDINGS OF BOARD

57.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit in compliance with the provisions of the Act and Rules made thereunder. (b) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson or any other senior official of the Company in case there is no Company Secretary shall, at any time summon a meeting of the Board.	When meeting to be convened Who may summon Board Meeting
58.	A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board meetings.	Frequency of Meetings
59.	Notice of every meeting of the Board of Directors of the Company shall be given to all the Directors in line with the requirements of Companies Act, 2013, as amended from time to time.	Notice
60.	The quorum for a Board meeting shall be as provided in the Act	Quorum
61.	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	Participation at Board Meeting
62.	(a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (b) In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.	Questions at Board meeting how decided Casting vote of Chairperson at Board meeting
63.	The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
64.	(a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (b) The Board may elect one of their members as Co-Chairperson to preside over their meetings in the absence of the Chairperson and determine the period for which he is to hold office. The Co-Chairperson shall in the absence of the Chairperson, have all the powers conferred on the Chairperson by these Articles. (c) The Board may elect one of their members as Vice Chairman to preside over their meetings in the absence of the Chairperson and Co- Chairperson and determine the period for which he is to hold office. The Vice Chairman shall in the absence of the Chairperson and Co-Chairperson, have all the powers conferred on the Chairperson by these Articles. (d) If no such Chairperson, Co-Chairperson or Vice Chairman is elected, or if at any meeting the Chairperson, Co-Chairperson and Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.	Who to preside at meetings of the Board Directors to elect a Co – Chairperson Directors to elect a Vice Absence of Chairperson
65.	(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Delegation of powers Committee to conform to Board regulations
66.	(a) A committee may elect a Chairperson of its meetings. (b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee

		Who to preside at meetings of Committee
67.	(a) A committee may meet and adjourn as it thinks fit. (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Committee to meet Questions at Committee meeting how decided
68.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.	Acts of Board or Committee valid notwithstanding defect of appointment
69.	Save as otherwise expressly provided in the Act, a resolution in writing, approved by majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.	Passing of resolution by circulation

MANAGING DIRECTOR

70.	(a) Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules made thereunder, and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) as it may think fit, and a Director so appointed shall not, while holding that office, be subject to retirement by rotation. But his appointment shall be subject to determination ipso facto if he ceases from any case to be a Director of the Company & General Meeting resolve that his tenure of office of Managing Director/Whole time Director be determined. (b) A Managing Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.	Managing Director

STATUTORY REGISTERS

71.	The Company shall keep and maintain at its registered office all statutory registers, as applicable on the Company, including register of charges, register of annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, in terms of the requirements of Companies Act, 2013, by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	Statutory Registers

72. ***Deleted**********

WINDING UP

73.	Subject to the provisions of Chapter XX of the Act and Rules there under— (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.	Winding-up of the Company

	(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	

INDEMNITY

74.	Subject to the provisions of the Act, every Director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Subject as aforesaid, every Director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or such authority.	Directors and officers right to Indemnity

GENERAL POWERS

75.	Wherever in the Act or the Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	General Power

SECRECY CLAUSE

76.	Subject to the provisions of the Act, Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall observe strict secrecy in respect of all transaction of the Company with the customers and the state of accounts with individuals and in matters relating thereto and shall not reveal in the discharge of his duties except when required to do so by the Directors as such or by any meeting or by Court of law or by the person to whom such matters relate and except so for as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy Clause

Consolidation and Re-issuance of Debt Securities*

77.	The Company may at any time consolidate, divide, sub-divide, cancel, convert, reconvert and re-issue any of its debt securities as it may deem fit from time to time.	Consolidation and Re-issuance of Debt Securities

**Altered via special resolution passed in EGM dated September 22, 2017*
*** Altered via special resolution passed in EGM dated March 28, 2018*
****Altered via special resolution passed in EGM dated August 6, 2018*

PART B

Notwithstanding anything to the contrary in Part ‘A’ of these Articles, in the event of any conflict or inconsistency between any provisions of Part ‘B’ of these Articles and any of the provisions of Part ‘A’ of these Articles, the provisions contained in Part ‘B’ shall prevail and override the provisions of Part ‘A’ of these Articles. All cross references to an Article or Articles or any Schedule in this Part B shall be references to an Article or Articles or Schedules of Part B of these Articles.

1.	In this Part B of the Articles, except where the context expressly requires otherwise, the following words and expressions shall have the meaning set forth below.	Definitions

All capitalized terms used but not defined shall have the meaning assigned to it in the Agreement (defined hereunder).

“Additional Securities” has the meaning assigned to it at Article 8.3 (*Subscription Notice and Additional Securities*);

“Affiliate(s)” means, with respect to a Person, shall mean any other Person that directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with the first named Person, and includes (i) any Subsidiary of the first named Person; and (ii) in the case of the Investor, an Affiliate of the Investor shall include any entity which is directly or indirectly wholly owned by the Government of Abu Dhabi, provided that: (a) Company shall not be considered as an Affiliate of any Shareholder; (b) no portfolio company of Government of Abu Dhabi or any of its Affiliates shall be deemed to be an Affiliate of the Investor or an Affiliate of the Investor; and (c) no Competitor shall be considered as an Affiliate of any Shareholder;

“Agreement” means the shareholders’ agreement dated 9 June 2022 executed amongst IIFL Finance Limited, the Investor and the Company;

“Applicable Law(s)” means to the extent it applies to a Person: (i) any applicable statute, law, regulation, ordinance, rule, judgement, rule of law, order, decree, Governmental Approvals, directive, guideline, policy, requirement, or other governmental restriction; or (ii) any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority;

“Approvals” mean all permissions, approvals, consents, licenses, orders, authorisations, exemptions, rulings or registrations;

“Arbitration Notice” has the meaning assigned to it at Article 15.2.2;

“Arbitration Tribunal” has the meaning assigned to it at Article 15.2.2;

“Articles” mean the articles of association of the Company, as may be amended from time to time;

“Audited Financial Statements” means, in respect of a Financial Year, the audited financial statements comprising an audited balance sheet as of end of that Financial Year and the related audited statement of income for that Financial Year, together with the auditor’s report thereon and notes thereto prepared in accordance with Applicable Law;

“Big Four Accounting Firm” means any of the following accounting firms: (i) KPMG; (ii) Deloitte Touche Tohmatsu; (iii) Ernst and Young, or (iv) PriceWaterhouseCoopers, and/or any of the Indian associates of any of foregoing;

“Board” has the meaning assigned to it at Article 4.1 (*Authority and Power of the Board*);

“Board Meeting” means a meeting of the Board, convened and held in accordance with the Act, the Agreement and the Articles;

“Business” has the meaning assigned to it at Clause 3.1 of the Agreement;

“Business Plan” has the meaning assigned to it at Article 3 (*Business Plan*);

“Business Day” means any day, other than a Saturday, Sunday or public holiday, on which the commercial banks in Mumbai, India and Abu Dhabi, United Arab Emirates are open for business during normal banking hours;

“Change in Control” means any Third Party Purchaser acquiring: (i) ownership of more than 50% (fifty per cent) of the Share Capital of the Company then outstanding; or (ii) the ability to appoint or remove a majority of the Directors; or (iii) the ability to direct or procure the direction of the management and policies of the Company, whether through the ownership of shares, by contract or otherwise;

“Charter Documents” means, collectively, the memorandum of association of the Company and these Articles;

“Company" means IIFL Home Finance Limited and includes its successors in business and permitted assigns;

“Competing Business” means any business which predominantly (i) is similar to, or (ii) is directly or indirectly related to, or (iii) competes with, the Business;

“Competitor” means: (i) any Person that, directly or indirectly, undertakes or engages in a Competing Business; or (ii) any Person who holds management rights (including a board seat) in any Person that is, directly or indirectly, primarily engaged in or undertakes any Competing Business. Any Person that, by itself or through its Affiliates is engaged in a Competing Business and either: (a) derives 25% (twenty five per cent) or more of its consolidated revenues from such Competing Business, as per the latest consolidated audited financial statements of such Person available at the relevant time of determination; or (b) has an asset under management in the Competing Business that is equivalent to 25% (twenty five per cent) or

	more of the assets under management of the Company, as per the latest consolidated audited financial statements of such Person and the Company available at the relevant time of determination shall be deemed to be a Competitor; "Completion Date" has the meaning assigned to it in the Share Subscription Agreement; "Confidential Information" has the meaning assigned to it at Clause 19.1 of the Agreement; "Control", including with its grammatical variations such as Controlled by, that Controls and under common Control with, in relation to a Person, shall mean: (i) holding or controlling, directly or indirectly, a majority of the voting rights exercisable at shareholder meetings (or the equivalent) of that Person; or (ii) having, directly or indirectly, the right to appoint or remove directors holding a majority of the voting rights exercisable at meetings of the board of directors (or the equivalent) of that Person; or (iii) having directly or indirectly the ability to direct or procure the direction of the management and policies of that Person, whether through the ownership of shares, by contract or otherwise; "Corporate Event" means splits, sub-division, consolidation, combination, recapitalisations, reclassification, bonus issuance or any other similar corporate action transaction; "Deed of Adherence" means the deed of adherence in the form set out at Annexure IV (*Deed of Adherence*) of the Agreement; "Director" means a Person who is appointed as a director of the Company pursuant to the Agreement and the Articles; "Dispute" has the meaning assigned to it at Article 15.1 (*Dispute*); "Dispute Parties" has the meaning assigned to it at Article 15.1 (*Dispute*); "Dispute Notice" has the meaning assigned to it at Article 15.1 (*Dispute*); "Drag-along Notice" has the meaning assigned to it at Article 9.9.2; "Drag Floor Price" has the meaning ascribed to it under Annexure I of the Agreement; "Drag-along Sale" has the meaning assigned to it at Article 9.9.1; "Dragged Shareholder" has the meaning assigned to it at Article 9.9.1; "Dragging Shareholder" has the meaning assigned to it at Article 9.9.1; "Encumbrance" means any form of legal, equitable, or security interest including but not limited to mortgage, hypothecation, pledge, claim, option, security, interest, charge, lien, non-disposal agreement, assignment, title retention, assignment of receivables, right to acquire, any deferred purchase, title defect, conditional sales contract, voting arrangements or any other arrangement or contract to give, or refrain from giving, any of the foregoing; "ESOPs" means employee stock options; "ESOP Scheme" means an employee stock option scheme comprising of Equity Securities amounting to 2.5% (two point five per cent) of the Share Capital immediately prior to the Completion Date, to be adopted and implemented prior to the Completion Date in accordance with the Share Subscription Agreement; "Equity Securities" mean Equity Shares and Share Equivalents; "Equity Shares" mean equity shares of the face value of ₹ 10 (Indian Rupees Ten) in the capital of the Company; "Excluded Securities" means any Equity Securities issued pursuant to, or in connection with any Excluded Issuance; "Exercise Period" has the meaning assigned to it at Article 9.8.4 (*Tag-Along Right*); "Financial Investor" means any Person, who meets either of the criteria below: (a) such Person's principal business activity is acquiring, holding and/or selling investments for financial gains; (b) private equity fund type structures with pooled capital for investment purposes and Persons Controlled by them; or (c) family offices and/or high net worth individuals in each case that are solely engaged in the business of financial investment, and Persons Controlled by them, provided that, in no event shall any of portfolio company of any Person referred to at (a), (b) or (c) above would be considered as a Financial Investor; "Financial Quarter" means the period of 3 (three) months commencing from April 1, July 1, October 1 and January 1 in each Financial Year; "Financial Year" means the period of 12 (twelve) months commencing on April 1 of a calendar year and ending on March 31 of the following calendar year or any other period adopted by the Company as its accounting year; "Fully Diluted Basis" means the determination of Share Capital by aggregating: (i) all outstanding Equity Shares as of the date of such determination, and (ii) all Equity Shares issuable upon the exercise, conversion, or exchange of any Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable) on the most favourable terms available to the holder(s) of such instrument(s) or right(s) for such exercise, conversion	

or exchange at that point in time; provided that: (a) any loans, debt or other financial facilities obtained from scheduled commercial banks or other public financial institutions (and which are in the nature of commercial loans, and not structured or mezzanine finance), under the terms of which a conversion into Equity Shares is envisaged upon occurrence of a default, and (b) any non-convertible redeemable preference shares or non-convertible redeemable debentures issued by the Company to any Person, shall not be considered for the purpose of calculation of the Share Capital on a "Fully Diluted Basis", unless such default has occurred at the relevant time of determination;

"Governmental Approvals" means any consents of, with, or to, any Governmental Authority under or pursuant to Applicable Laws;

"Government" or "Governmental Authority" means any domestic, foreign or other statutory authority, government department, agency, commission, board, tribunal, court or other entity having or purporting to have jurisdiction;

"Identified Accounting Firm" means any of the following accounting firms or their Indian associates: (i) KPMG; (ii) Deloitte Touche Tohmatsu; (iii) Ernst and Young, (iv) PriceWaterhouseCoopers; (v) Grant Thornton; (vi) BDO Global; and (vii) Sharp & Tannan;

"INR" or "Indian Rupees" mean(s) the lawful currency of the Republic of India;

"Investor" shall mean Platinum Owl C 2018 RSC Limited (*a company incorporated under the laws of the Abu Dhabi Global Market and having its office at Level 26, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates*), acting in its capacity as the trustee of Platinum Jasmine A 2018 Trust, a trust established by way of deed of settlement dated 27 January 2019 in the Abu Dhabi Global Market, as a determinate and revocable proper law trust, known as Platinum Jasmine A 2018 Trust, and includes its successors in business and permitted assigns;

"Investor Director" has the meaning assigned to it at Article 4.2.1 (*Board*);

"Investor Observer" has the meaning assigned to it at Article 4.16.1 (*Investor Observer*);

"IPO" means (i) the initial public offering of the Equity Securities (including depository receipts), including by way of allotment of new shares of the Company or an offer for sale or a combination thereof), and the consequent listing of the Equity Securities on a Recognised Stock Exchange; or (ii) the listing of the equity securities of the resultant / transferee entity to whom the Business is transferred pursuant to a Qualified Transaction ("Qualified IPO"), in each case in accordance with these Articles, the Agreement and Applicable Laws;

"IRR" means the internal rate of return for a schedule of cash flows, which rate of return shall be calculated: (i) from a specified date until another specified date; (ii) as a per annum rate and all amounts shall be calculated on an annual basis; (iii) using the XIRR function in Microsoft Excel (or if such program is no longer available, any replacement software issued by Microsoft to calculate internal rate of return). For the purposes of calculating IRR, cash inflows in respect of any Shareholder, shall include dividends, coupons or distributions paid by the Company paid to the Shareholder on the Equity Securities;

"Issue Notice" has the meaning assigned to it at Article 8.2 (*Notice of Proposed Issuance*);

"Lock-in Period" has the meaning assigned to it at Article 9.4.1 (*Transfer by the Investor*);

"Parent" shall mean IIFL Finance Limited, a company incorporated under the laws of India, having CIN L67100MH1995PLC093797 and its registered office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate Thane, 400604, and includes its successors in business and permitted assigns;

"Parent Director" has the meaning assigned to it at Article 4.2.2 (ii) (*Board*);

"Person" means any individual or any entity, including, a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body;

"Parties" has the meaning assigned to it under the Agreement;

"Proposed Issuance" has the meaning assigned to it at Article 8.2 (*Notice of Proposed Issuance*);

"New Investor" means any Third Party to whom the Parent transferred such number of Equity Securities that post such transfer would constitute up to 20% (twenty per cent) of the Share Capital at a purchase consideration that is less than, or equal to an amount equal to the Subscription Consideration (*as defined under the Share Subscription Agreement*);

"Qualified Transaction" means any demerger or merger (or a combination thereof) involving the Company or the Business that would result in equity securities of the transferee/resultant entity to whom the Business has been transferred pursuant to such demerger or merger (or a combination thereof) being listed on a Recognised Stock Exchange and which satisfies each

	of the following conditions: (i) there is no difference between the economic value of the stake held by the Investor in the Company immediately prior to, and the economic value of the stake held by the Investor in the transferee/resultant entity immediately upon such demerger or merger (or a combination thereof); (ii) the difference, if any, between the shareholding percentage of the Investor on a Fully Diluted Basis, in the Company immediately prior to, and the shareholding percentage of the Investor in the transferee/resultant entity, on a Fully Diluted Basis, immediately after the consummation of such listing, is inconsequential; (iii) a Big Four Accounting Firm provides a written opinion, acceptable to the Investor, confirming that the implementation of such merger or demerger (or a combination thereof) is 'tax neutral' for the Investor; and (iv) a reputable law firm provides a written opinion, acceptable to the Investor, confirming that the implementation of such merger or demerger (or a combination thereof) will not have any adverse legal implications for the Investor; "Recognised Stock Exchange" means BSE Limited, the National Stock Exchange of India Limited, or any other recognised stock exchange in India and/or outside India (as decided by the Board and acceptable to the Parent and the Investor); "Related Parties" mean any Person so recognised under Act; "Related Party Transaction" means any transaction between the Company on the one hand and its Related Party on the other hand; "Reserved Matters" means the matters listed at Article 6.2 (*List of Reserved Matters*) of these Articles; "ROFO Acceptance Period" has the meaning assigned to it at Article 9.7.3 (*Right of First Offer*); "ROFO Holder" means: (i) the Investor, where the Selling Shareholder is the Parent or any of its Affiliates that are Shareholders; or (ii) the Parent, where the Selling Shareholder is the Investor or any of its Affiliates that are Shareholders; "ROFO Notice" has the meaning assigned to it at Article 9.7.1 (*Right of First Offer*); "ROFO Price" has the meaning assigned to it at Article 9.7.2 (*Right of First Offer*); "ROFO Response Notice" has the meaning assigned to it at Article 9.7.2 (*Right of First Offer*); "ROFO Response Period" has the meaning assigned to it at Article 9.7.2 (*Right of First Offer*); "ROFO Shares" has the meaning assigned to it at Article 9.7.1 (*Right of First Offer*); "ROFO Terms" has the meaning assigned to it at Article 9.7.2 (*Right of First Offer*); "Security Interest" has the meaning assigned to it at Article 9.3.2 (*Transfers by the Parent*); "Selling Shareholder" means: (i) the Parent or any of its Affiliates; or (ii) the Investor or any of its Affiliates; "Share Capital" means the issued and paid-up equity share capital of the Company, on a Fully Diluted Basis; "Share Equivalents" means all instruments issued by the Company which entitle the holder to Equity Shares at a future date; "Share Subscription Agreement" means the share subscription agreement dated 9 June 2022 executed between the Company and the Investor; "Shareholder(s)" means any Person who holds any Equity Security; "Subscription Notice" has the meaning assigned to it at Article 8.3 (*Subscription Notice and Additional Securities*); "Subsidiaries" has the meaning assigned to it under the Act; "Tag Along Right" has the meaning assigned to it at Article 9.8.1 (*Tag-Along Right*); "Tagged Shares" has the meaning assigned to it at Article 9.8.5 (*Tag-Along Right*); "Tag Notice" has the meaning assigned to it at Article 9.8.4 (*Tag-Along Right*); "Tag Purchaser" has the meaning assigned to it at Article 9.8.1 (*Tag-Along Right*); "Tagging Shareholder" has the meaning assigned to it at Article 9.8.1 (*Tag-Along Right*); "Tag Transferor" has the meaning assigned to it at Article 9.8.1 (*Tag-Along Right*); "Third Party(ies)" mean any Person who is neither a signatory to the Agreement nor an Affiliate of any Shareholder; "Third Party Offer Response Notice" has the meaning assigned to it at Article 9.7.5 (*Right of First Offer*); "Third Party Offer Response Period" has the meaning assigned to it at Article 9.7.5 (*Right of First Offer*); "Third Party Purchaser" means any Third Party who, immediately prior to the contemplated transaction does not, directly or indirectly, own or have the right to acquire any outstanding Equity Securities; "Transaction Documents" has the meaning assigned to it under the Agreement;	

	"Transfer" means, directly or indirectly, any sale, gift, assignment, transfer, creation of Encumbrance, or any other disposition of Equity Securities or voting interests or any right, title, interest therein by any means whatsoever and includes any attempt to do any of the foregoing and "Transferor" and "Transferee" will be construed accordingly. The term "Transfer", when used as a noun, shall have a correlative meaning; and "Unsubscribed Securities" has the meaning assigned to it at Article 8.4 (*Unsubscribed Securities*).	
2.	2.1 The recitals and Annexures contained in the Articles shall be deemed to be an integral part of the Articles. 2.2 References to statutory provisions shall be construed as references to those provisions and any regulations made in pursuance thereof as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date of these Articles) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification). 2.3 Unless otherwise indicated, the terms 'hereof', 'herein', 'hereby', 'hereto' and derivative or similar words refer to the entire set of these Articles. 2.4 The words 'including' and 'among others' and words and phrases of a like nature used in these Articles are deemed to be followed by the words 'without limitation' or 'but not limited to' or words or phrases of a like nature whether or not such latter words or phrases are expressly set out. 2.5 Headings and bold type face are only for convenience and shall be ignored for the purposes of interpretation. 2.6 Words importing: (i) the singular include the plural; and (ii) any gender include every gender. 2.7 The performance of the obligations of each of the Parties to the Articles is subject to and shall be performed in accordance with Applicable Laws. 2.8 "In writing" or "written" includes faxes, any non-transitory form of visible reproduction or words, digital signatures and electronic mail but excludes text messaging via mobile phone. 2.9 All references to share numbers and share prices shall be adjusted appropriately for any Corporate Event. 2.10 Terms defined in these Articles shall include their correlative terms. 2.11 Unless expressly stated otherwise, all references to days, months and years are to calendar days, calendar months and calendar years, respectively. 2.12 Unless otherwise specified, the time period within or following which payment is to be made or an act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. 2.13 The expressions "ordinary course of business" or "business in the ordinary course" mean the ordinary and usual course of business of the Company, consistent with the prior practices of the Company (including with respect to quantity and frequency). For the purposes of Article 6 (*Reserved Matters*), the Company shall act in good faith (and not for evading its obligations under these Articles) for determining whether any action proposed to be undertaken would qualify as an action taken in ordinary course.	Interpretation
3.	The management of the Company shall be responsible for preparation of an annual business plan, containing the annual budget and information as may be determined by the Board including operation, capital expenditure, estimates of sources and application of funds, an estimated profit and loss account, an estimated balance sheet, an estimated cash flow statement, details underlying assumptions for the forecast, in each case, for the relevant Financial Year and a general narrative of corporate goals, objectives and strategy for each Financial Year ("Business Plan") and present such Business Plan to the Board. Within 60 (sixty) days after the commencement of each Financial Year, the Board shall consider and adopt the Business Plan for that Financial Year with such modifications as it may require. The Business Plan for the Financial Year ending on 31 March 2023 as adopted by the Board is annexed as Annexure V (FY *22-23 Business Plan*) to the Agreement.	Business Plan
4.	4.1 Authority and Power of Board: The Company shall be managed by the Board of Directors ("Board") who shall have the full power to do all acts and take all actions that the Company is authorised to do, save and except only those matters that are statutorily required under Applicable Law to be approved by the Shareholders. 4.2 Board	Board of Directors

4.2.1 The Investor shall have the right to nominate 1 (one) Director ("Investor Director") on the Board.

4.2.2 On the Completion Date, the Board shall comprise of the following Directors:

(i) the Investor Director;

(ii) 2 (two) nominee Directors of the Parent (each a "Parent Director");

(iii) 1 (one) executive / whole time Director; and

(iv) 4 (four) independent Directors.

4.2.3 *** 4.2.3 The Board of Directors be authorized to appoint a person nominated by the Debenture Trustee(s) as Director on the Board of the Company in terms of clause (e) of sub-regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

Provided that nothing in this sub clause shall apply in the event that the debenture trustee fails to prove that the Company has defaulted in terms of clause (e) of sub regulation (1) of Regulation 15 of the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 for its listed debt securities as amended from time to time.

4.3 Alternate Director: To the extent permissible under Applicable Law, any Investor Director or Parent Director appointed to the Board shall be entitled to nominate an alternate Director to attend and vote at Board meetings in his or her absence. Such alternate Director shall be approved in writing by the Shareholder(s) who have appointed such nominating Director and shall be appointed by the Board in accordance with the provisions of Applicable Law. An alternate Director appointed under this Article 4.3 (*Alternate Director*) shall not hold office for a period longer than that permissible for the original Director in whose place he or she has been appointed. The alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the original Director, shall hold office only until the original Director would have held office, and generally perform all functions of the original Director in the absence of such original Director.

4.4 Appointment, Removal and Replacement

4.4.1 The right of the Investor or the Parent to appoint an Investor Director or Parent Director, as the case may be, shall also include the right to remove any Director so appointed by it and appoint another in his place. On receipt of such notice in writing intimating the Company of the proposed appointment or removal of a Director, the Parties shall ensure such appointment or removal.

4.4.2 Each Shareholder and the Board shall ensure that each appointment, removal or replacement of the Investor Director or Parent Director(s) is implemented without delay and where necessary, meetings of the Shareholders of the Company, or meetings of the Board, as applicable, are convened for this purpose.

4.4.3 The Shareholders and Directors shall vote in favour of any such appointment, removal or replacement at any meeting of the Shareholders or Board of the Company and shall ensure that each Shareholder's respective nominee Director (as applicable) to the Board or their alternates, vote in favour of any such appointment, removal or replacement at any such meeting.

4.5 Casual Vacancy: If any Investor Director or Parent Director resigns, vacates or is removed from office before his term expires, the resulting casual vacancy may only be filled by the Shareholder nominating such Director.

4.6 Additional Director: Subject to Article 6 (*Reserved Matters*), the Board shall have the power to appoint Directors nominated by the Shareholders in accordance with the Articles as 'additional Directors' (as such term is used under the Act), to hold office until the time period permitted under the Act. Each Shareholder of the Company shall cause the Company to convene a Shareholders' Meeting at a shorter notice to confirm the appointment of such 'additional Directors' as Directors. Each Shareholder of the Company shall vote in favour of such appointment at such meeting of the Shareholders.

4.7 Meetings of the Board:

4.7.1 The Board Meetings shall take place in accordance with, and at such times as prescribed under the Act. The Board meetings shall be held at such place, within or outside India, as mutually decided by the Board, from time to time.

4.7.2 Subject to Applicable Law, all reasonable expenses and costs incurred by any Director for attending the meetings of the Board and the Committees shall be reimbursed by the Company as per the applicable Company policy.

4.8 Chairperson of the Board: One of the Parent Directors, a nominee of the Parent Directors or the independent Directors (at the election of the Parent) shall be appointed as the chairperson of the Board. In the event that the chairperson is absent from a meeting of the Board or is unable or unwilling to act for all or any part of the meeting, then one of the other Parent Directors or their nominee shall act as a chairperson in their absence for that meeting (or for that part of that meeting). The chairperson will have a casting vote.

4.9 Notice of Board meetings

4.9.1 Any Director may convene, or may request the Company's secretary to convene, a Board meeting in accordance with the Articles.

4.9.2 Unless all Directors otherwise agree in writing, at least 7 (seven) days' prior written notice will be given to all Directors for convening a Board meeting.

4.9.3 Every notice convening a meeting of the Board, shall set forth in full and sufficient detail each item of the business to be transacted thereat and shall be accompanied by any relevant papers for discussion at such meeting.

4.9.4 All Directors entitled to attend the meeting will be sent such notice (together with all attachments thereto) by facsimile or email. The requirement of a written notice / notice in writing shall be deemed to have been satisfied if the said notice is sent via email to the recipient in accordance with the Act.

4.10 Quorum

4.10.1 A quorum for a meeting of the Board shall be determined in accordance with the Act, provided that, no quorum shall be constituted without the presence of: (i) the Investor Director (if appointed to the Board); and (ii) at least 1 (one) Parent Director (if appointed to the Board). Notwithstanding anything to the contrary contained in Part B of these Articles, any Shareholder may, at its sole discretion, provide a written waiver of the requirement of the presence of its nominee Director, to constitute a quorum at any meeting of the Board.

4.10.2 If within half an hour from the time appointed for a Board meeting, the quorum as set out in Article 4.10.1 is not present, the meeting will stand adjourned to:

(i) the day falling on the 7^{th} (seventh) day from the date appointed for the original Board meeting at the same time if the adjourned meeting provides for electronic or remote participation of the Directors in accordance with Article 4.13 (*Electronic Participation*), or the 14^{th} (fourteenth) day from the date appointed for the original Board meeting at the same time and place if the adjourned meeting does not provide for electronic or remote participation of the Directors in accordance with Article 4.13 (*Electronic Participation*); or

(ii) such other later Business Day and at such other time and place, as all the Directors present at the Board meeting may determine, in which event due notice will be given to all Directors.

4.10.3 The Directors so present in the adjourned Board meeting shall (subject to Applicable Law) constitute a quorum and the Board may pass all resolutions in relation to the agenda items for such meeting (including any Reserved Matters), provided that, at this adjourned Board meeting no business other than: (i) the business included in the agenda for the original Board meeting; or (ii) convening of a general meeting of the Shareholders to deliberate and vote upon the business specified in the agenda for the original Board meeting, shall be transacted.

4.10.4 Notwithstanding anything to the contrary contained in Article 4.10 (*Quorum*), where a delay in considering any matter at a Board meeting would result in the Company being in breach of any requirement of any Applicable Law, the Board may take such action as may be necessary by means of a circular resolution. It being clarified that the circular resolution shall be subject to compliance with Article 4.14 (*Circular Resolution*) and Article 6 (*Reserved Matters*).

4.10.5 Notwithstanding anything to the contrary contained in these Articles, including in Article 4.10 (*Quorum*), in no circumstance shall the presence of only independent Directors constitute the quorum for a meeting of the Board.

	4.11 Voting at Board Meetings: Subject to Article 6 (*Reserved Matters*) of these Articles, all decisions of the Board will be taken by simple majority. Each Director shall be entitled to 1 (one) vote. 4.12 Committees of the Board 4.12.1 The Board may constitute such committees and sub-committees as it may deem fit and proper to assist with the management of specific aspects of the Business of the Company from time to time (collectively, "Committees") or delegate its powers to any Persons. 4.12.2 The Board shall have the power to determine the functions, powers (including delegation of the powers of the Board to any Committee), authorities, responsibilities and composition of the Committees, provided that, each of: (i) the Investor shall be entitled to nominate 1 (one) Director; and (ii) the Parent, shall be entitled to nominate at least 1 (one) Director, on the audit committee ("Audit Committee"), Nomination And Remuneration Committee ("Nomination and Remuneration Committee"), Risk Management Committee ("Management Committee"), Asset and Liabilities Committee ("Assets and Liabilities Committee") and on such other key committees as mutually agreed between the Parties for this purpose. Within 30 (thirty) days from the Completion Date, the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Assets and Liabilities Committee shall be reconstituted to provide for the appointment of the nominees of the Investor and the Parent as contemplated in the foregoing provisions of this Article 4.12.2. 4.12.3 The provisions relating to the proceedings of meetings of the Board contained herein shall apply *mutatis mutandis* to the proceedings of the meetings of any Committee. 4.13 Electronic Participation: The Board shall have the power to allow electronic or remote participation in Board meetings, subject to compliance with the relevant requirements under Applicable Law. Such participation shall be counted for the purposes of constituting the quorum for such meetings. Subject to there being a requisite quorum as required under Article 4.10 (*Quorum*) at such meeting, all resolutions passed by the Board in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Board duly convened and held. A meeting conducted by means of electronic or other remote means permissible under Applicable Law, shall be deemed to be held at the scheduled venue of the meeting as set forth in the notice convening the meeting. 4.14 Circular Resolution: The Board may act by written resolution, or in any other legally permissible manner, on any matter, except in respect of matters which by Applicable Law may only be acted upon at a meeting of the Board. Such resolution shall be as valid and effective as a resolution duly passed at a Board Meeting or a committee thereof, as the case may be, held in accordance with these Articles. 4.15 Directors' & Officers Liability Insurance: The Company shall obtain, at its cost, suitable directors' and officers' liability insurance policy from a reputable insurance company for such amount and coverage as is acceptable to the Parties. 4.16 Investor Observer 4.16.1 Without prejudice to, and in addition to the right of the Investor to nominate an Investor Director pursuant to Article 4.2.1 (*Board*), the Investor shall be entitled to nominate 1 (one) individual as a non-voting observer to the Board (such nominee being an "Investor Observer"). 4.16.2 The Investor Observer shall be entitled to: (i) participate in all meetings of the Board, except that such Investor Observer shall neither have the right to vote nor have the right to offer any motions or resolutions to the Board; and (ii) receive all notices and communications / resolutions to which a Director would be entitled in respect of the Board. 4.16.3 Notwithstanding anything to the contrary contained in these Articles, the Company may withhold information or materials from the Investor Observer or exclude the Investor Observer from any meeting or portion thereof (as determined by the Board) if: (i) withholding or exclusion is required to avoid any disclosure that is restricted by any agreement or contract with another Person; or (ii) such disclosure would result in violation of the Securities and Exchange Board of India (Prohibition of Insider Trading)	

	Regulations 2015, as may be amended, restated or re-enacted from time to time. 4.16.4 The Investor shall: (i) ensure that the Investor Observer is subject to the same obligations as the Directors with respect to confidentiality and conflicts of interest (and shall provide, prior to attending any meetings or receiving any information or materials, such agreements, undertakings, or assurances to such effect as may be requested by the Company); and (ii) be responsible for ensuring compliance of the obligations mentioned in Article 4.16.4(i) by the Investor Observer. 4.17 Investor's Nominees on Competitor's Board: The Investor shall ensure that neither the Investor Director nor the Investor Observer: (i) shall be a director (or equivalent) or an observer on the board of directors (or equivalent) of any Competitor; and (ii) shall share any Confidential Information concerning the Company or the Parent with any directors/observers nominated or appointed by the Investor and/or its Affiliates on the board or committee (or other applicable governing body) of any Competitor(s). 4.18 Removal of Directors: If the Agreement terminates in respect of a Shareholder in accordance with Article 12 (*Termination*) or in case of the Investor, its right to appoint a Director or an Investor Observer falls away pursuant to Article 11 (*Fall Away of Investor's Rights*), that Shareholder or the Investor, as the case may be, shall, at its own expense, procure the removal of all of its nominee Director(s) and the Investor Observer (as applicable) nominated for appointment by it and, if requested by the Company or any other Shareholder, do all things and sign all documents as may otherwise be necessary to exercise its rights, as far as it lawfully can, to ensure the removal of all such Directors and the Investor Observer (as applicable).	
5.	5.1 General Meetings: Meetings of the Shareholders may be convened by the Board or by any Shareholder and shall be held in accordance with the Act and shall be held at the registered office of the Company (unless otherwise agreed in writing by the Investor and the Parent). 5.2 Notice for General Meetings 5.2.1 No meeting of the Shareholders shall be convened unless the agenda items to be placed at such meeting of the Shareholders have been discussed and approved at a meeting of the Board. 5.2.2 Prior written notice of at least 21 (twenty one) days shall be given to all the Shareholders whose names appear on the register of members of the Company for convening the annual general meeting of Shareholders (except in case of adjourned annual general meetings). A meeting of the Shareholders may be called by giving shorter notice with the written consent of the minimum number of Shareholders as provided by Applicable Law. 5.2.3 For the purposes of Article 5.2 (*Notices for General Meetings*), the requirement of a written notice/notice in writing shall be deemed to have been satisfied if the said notice is sent via email to the recipient in accordance with the Act. 5.3 Contents of Notice: The notice shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail, the business to be transacted thereat. 5.4 Chairperson for General Meeting: The chairperson of the Board shall be the chairperson for all general meetings. Provided that, if the chairperson is not present, one of the Parent Directors or their nominee may be selected as the chairperson of the general meeting. The chairperson of the general meeting shall have a casting vote. 5.5 Proxies and Authorised Representatives: Any Shareholder of the Company may appoint another Person as his proxy or any authorised representative in accordance with Applicable Laws to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. 5.6 Quorum for General Meetings 5.6.1 A quorum for a meeting of the Shareholders shall be determined in accordance with the Act, provided that, no quorum shall be constituted without the presence of: (i) 1 (one) authorised representative of the Investor; and (ii) 1 (one) authorised representative of the Parent. Notwithstanding anything to the contrary contained in	Shareholder Meetings

	the Articles, any Shareholder may, at its sole discretion, provide a written waiver of the requirement of the presence of its authorised representative, to constitute a quorum at any meeting of the Shareholders. 5.6.2 If within half an hour from the time appointed for a Shareholders' meeting, the quorum as set out in Article 5.6.1 is not present, the meeting will stand adjourned to: (i) the day falling on the 7th (seventh) day from the original meeting at the same time if the adjourned meeting provides for electronic or remote participation of Shareholders in accordance with Article 5.8 (*Electronic Participation*) or the 14th (fourteenth) day from the date appointed for the original meeting at the same time and place if the adjourned meeting does not provide for electronic or remote participation of Shareholders in accordance with Article 5.8 (*Electronic Participation*) from the date appointed for the original Shareholders meeting at the same time and place; or (ii) such other later Business Day and at such other time and place, as all the Shareholders present at the adjourned Shareholders meeting may determine, in which event, due notice will be given to all the Shareholders. 5.6.3 The Shareholders so present in the adjourned Shareholders' meeting contemplated at Article 5.6.2, shall (subject to Applicable Law) constitute the quorum and the Shareholders may pass all resolutions in relation to the agenda items for such meeting (including any Reserved Matters), provided that, at the adjourned Shareholders' meeting, no business other than the business included in the agenda for the original Shareholders' meeting shall be transacted. 5.7 Decisions to be taken at Shareholders Meetings: Subject to Article 6 (*Reserved Matters*), all decisions at the meeting of the Shareholders will be taken by simple majority. Unless otherwise agreed by the Shareholders, all decisions at a meeting of the Shareholders shall be taken by a poll (and not by show of hands) in accordance with the provisions of the Act and the Articles. 5.8 Electronic Participation: The Shareholders may participate by way of electronic or other remote means in any meeting of the Shareholders subject to compliance with the relevant requirements under Applicable Law. Such participation shall be counted for the purposes of constituting the quorum for such meetings. Subject to there being a requisite quorum as required under Article 5.6 (*Quorum for General Meetings*) at such meeting, all resolutions passed by the Shareholders in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Shareholders duly convened and held. A meeting conducted by means of electronic or other remote means permissible under Applicable Law, shall be deemed to be held at the scheduled venue of the meeting as set forth in the notice convening the meeting.	
6.	6.1 Affirmative Consent: Subject to the terms of these Articles: 6.1.1 no action shall be taken by the Board with respect to any of the matters listed below at Article 6.2 (*List of Reserved Matters*), whether by way of resolution by circulation or at a meeting of the Board unless approved by the affirmative vote of the Investor Director (if appointed to the Board) and a Parent Director (if appointed to the Board); and 6.1.2 no decision or determination shall be made, and no action shall be taken with respect to any of the Reserved Matters, in any meeting of the Shareholders unless approved by the affirmative vote of the Investor. 6.2 List of Reserved Matters 6.2.1 *Amendment to Charter Documents*: Amendment to the Charter Documents other than where such amendment is meant to incorporate or give effect to the provisions of the Agreement or increase the authorised capital clause to facilitate the issuance or allotment of any of the Excluded Securities or Equity Securities by way of rights issuance; 6.2.2 *Change in Business*: Any material change in the nature of Business of the Company, and/or commencement of any new line of business except in the ordinary course of business or synergistic with existing business; 6.2.3 *Changes to Share Capital*: Any change in the Share Capital, including but not limited to issuance of any Equity Securities (other than issuance of any Equity Securities by way of rights issuance or any Excluded Securities (including, for the avoidance of	Reserved Matters

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<tr><td></td><td>doubt, Equity Securities pursuant to an IPO), any alteration of the terms of any Equity Securities, buyback, redemption, and undertaking any Corporate Event (unless such Corporate Event does not result in the decrease of the shareholding of the Parent or the Investor in the Share Capital existing immediately prior to the Corporate Event);
6.2.4 <u>ESOP</u>: Adoption of any scheme for ESOP other than the ESOP Scheme;
6.2.5 <u>Dividends</u>: Declare, set aside, make or pay any dividend (interim or final) or any other distribution (whether in the form of cash, securities, property or any combination thereof or any other distributions with respect to the Company) with respect to any of its Equity Securities other than where any such action is taken in accordance with the dividend policy adopted by the Board;
6.2.6 <u>Business Combination or Winding Up</u>: Commencement of or undertaking any steps for the merger, amalgamation, restructuring and/or consolidation, winding up or voluntary liquidation of the Company or permit to be done any act or thing whereby the Company may be wound-up, or enter into any compromise or arrangement with creditors other than where any of the foregoing steps are undertaken in connection with any Qualified IPO;
6.2.7 <u>Capital Expenditure or Grant of any Loans</u>: Incurring of any capital expenditure, or grant any loans to individual borrowers, in each case, in excess of above ₹ 1,000,000,000 (Indian Rupees One Billion) in a Financial Year, that is not in the ordinary course of business;
6.2.8 <u>Joint Venture or any other Partnership</u>: Entry by the Company into any joint venture, partnership, profit-sharing or other similar arrangement (other than in the ordinary course of business);
6.2.9 <u>Investment in Another Person</u>: Creation, acquisition or control, directly or indirectly, of any Person, including any subsidiary or joint venture or making any investment in any other company or venture, partnership, consortium or strategic alliance with Third Parties or divesting holdings in other companies (other than treasury operations in the ordinary course), in each case where the investment or the sale consideration is greater than ₹ 1,000,000,000 (Indian Rupees One Billion);
6.2.10 <u>Sale or Disposal of Assets</u>: Sale, or other disposal of the whole or any part of the Company's material property, investments or assets, whether or not for valuable consideration, in each that are in excess of 20% (twenty per cent) of the net worth of the Company (as per the latest Audited Financial Statements of the Company available at the relevant time of the sale or disposal) other than where such sale or disposal is in connection with any securitisation or transactions involving assignment of any loans;
6.2.11 <u>IPO</u>: Initiating any IPO (other than a Qualified IPO) prior to the 4th (fourth) anniversary of the Completion Date;
6.2.12 <u>Related Party Transactions</u>: Entering into Related Party Transactions, other than those which are undertaken on an arms-length basis or in the ordinary course of business;
6.2.13 <u>Statutory Auditors</u>: Any appointment or termination of appointment of the statutory auditors of the Company if following such appointment or termination, the statutory auditor of the Company would not be an Identified Accounting Firm;
6.2.14 <u>Board Size</u>: Any increase in size of the Board resulting in appointment of more than 10 (ten) Directors on the Board; and
6.2.15 <u>IPO Matters</u>: Any decision regarding any IPO (other than a Qualified IPO) to be consummated prior to the 4th (fourth) anniversary of the Completion Date, including the timing, structure, pricing and other details in relation to such IPO.
6.3 No Parent's Affirmative Consent for IPO: Notwithstanding Article 6.1 (Affirmative Consent), no affirmative vote of the Parent Director shall be required thereunder for the matters listed at Article 6.2.11 (IPO) and Article 6.2.15 (IPO Matters) above.</td><td></td></tr>
<tr><td>7.</td><td>7.1 The Company will prepare all of its accounts in compliance with Applicable Law, and such other accounting policies and procedures as are acceptable to the Audit Committee.
7.2 Information Rights
The Company shall deliver to the Investor and the Parent, the following information within the applicable timelines prescribed below:</td><td>Accounts, Information and Inspection Rights and Auditor</td></tr>
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	7.2.1 within 60 (sixty) days after the end of each Financial Year, the Audited Financial Statements of the Company; 7.2.2 within 45 (forty five) days after the end of each Financial Quarter, the Quarterly Financial Statements of the Company; 7.2.3 within 20 (twenty) days after the end of each month, monthly management system (MIS) reports in a format agreed with the Investor; 7.2.4 as soon as practicable, but in any event within 7 (seven) days of such meeting, draft minutes of the Board and the committee meetings prepared in compliance with the Secretarial Standards and duly signed minutes within 7 (seven) days of the next Board or committee meeting; 7.2.5 as soon as practicable, but in any event within 30 (thirty) days of such meeting, duly signed minutes of general meetings prepared in compliance with the Secretarial Standards; 7.2.6 details of any material litigation, or disputes initiated against the Company or material notices received by the Company as soon as reasonably practicable from the Board acquiring knowledge thereof; and 7.2.7 such information as may be required to be furnished by the Company under any Applicable Law to its Shareholders or as may be reasonably requested by the Investor. 7.3 Inspection Rights The Parent and the Investor shall, at all times, by giving prior reasonable written notice, be entitled to carry out inspection of the accounts, documents, records, premises, and equipment and all other property of the Company during normal working hours through its duly authorised representatives at the cost and expense of the Parent or the Investor, as the case may be, provided that such inspection does not materially disrupt or interfere with the Business or operations of the Company. The Company shall use reasonable efforts to provide such information, data, documents, evidence as may be reasonably requested for this purpose of, and in the course of such inspection in connection therewith. The Parent and the Investor shall be entitled to consult with the statutory auditors of the Company regarding the financial affairs of the Company. 7.4 Exclusions to Information Rights and Inspection Rights Notwithstanding anything to the contrary contained in these Articles, the Company shall not be obligated under Article 7.2 (*Information Rights*) or Article 7.3 (*Inspection Rights*) to provide any information or access to any information that in the Board's opinion, would result in violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as may be amended, restated or re-enacted from time to time. 7.5 Statutory Auditor Upon the expiry of the current term of the existing statutory auditor of the Company, the Company shall appoint either an Identified Accounting Firm, or subject to Article 6.1 (*Affirmative Consent*) read with Article 6.2.13 (*Statutory Auditors*), any other accounting firm as may be acceptable to the Board as its statutory auditor in accordance with the provisions of the Act. 7.6 Confidential Information Notwithstanding anything to the contrary contained in the Agreement and these Articles, any information disclosed by the Company pursuant to this Article 7 (*Accounts, Information and Inspection Rights and Auditor*) shall be considered as the Confidential Information of the Company and shall be subject to the provisions of Clause 19 (*Confidentiality*) of the Agreement.	
8.	8.1 Investor's Pre-emptive Rights: In the event the Board determines that any funding is to be raised by way of equity funding by issuing Equity Securities (other than any Excluded Securities) ("New Securities"), then the Investor and the Parent (each, a "Pre-emptive Rights Holder") shall have the right to subscribe to its pro-rata share of the New Securities in the manner set out in Article 8 (*Investor's Pre-Emptive Rights*). 8.2 Notice of Proposed Issuance: Prior to issuance of any New Securities ("Proposed Issuance"), the Company shall give each Pre-emptive Rights Holder the written notice of such intention (such notice, the "Issue Notice"), describing: (i) the number and class of New Securities proposed to be issued; (ii) the price per New Security, which shall be same for each Pre-emptive Rights Holder; (iii) the manner and time of payment of the subscription amount; (iv) the terms of the Proposed Issuance; (v) the date of the Proposed Issuance; and (vi) the pro-rata share of each Pre-emptive Rights	Pre-emptive Rights

		Holder in such Proposed Issuance, determined based on their inter-se shareholding in the Company calculated on a Fully Diluted Basis. 8.3 Subscription Notice and Additional Securities: Each Pre-emptive Rights Holder shall have 30 (thirty) days after the date of receipt (or deemed receipt) of the Issue Notice to give the Company a binding written notice that it agrees to subscribe to part or all of its pro-rata share of the New Securities for the price and on the terms specified in the Issue Notice (such notice, the "Subscription Notice"). The Pre-emptive Rights Holder may also notify the Company in the Subscription Notice that they are willing to subscribe to any number (specified or unspecified) of the New Securities in excess of its pro-rata share of such Proposed Issuance ("Additional Securities") for the price and on the terms specified in the Issue Notice. 8.4 Unsubscribed Securities: If any Pre-emptive Rights Holder has indicated that it is willing to subscribe to Additional Securities and the other Pre-emptive Rights Holder elects not to, or fails to elect to subscribe to its pro-rata share of the New Securities offered to it, the Company shall give the Pre-emptive Rights Holder that has indicated its willingness to subscribe to Additional Securities a written notice of the total number of the New Securities not taken up by the other Pre-emptive Rights Holder, if any ("Unsubscribed Securities") within 5 (five) days of the expiry of the 30 (thirty) day period referred to in Article 8.3 (*Subscription Notice and Additional Securities*). Such notice shall specify the particulars of the payment process for the New Securities to be subscribed by the relevant Pre-emptive Rights Holder pursuant to the Subscription Notice. Within 5 (five) days of receipt of the aforementioned notice from the Company, the Pre-emptive Rights Holder may notify the Company that it is willing to subscribe to all or a specified number of Unsubscribed Securities, which shall not exceed the Additional Securities notified by it. 8.5 Subscription: On the 30^{th} (thirtieth) day from the date of the Issue Notice, or such other period as may be mutually agreed between the Company, the Parent and the Investor: 8.5.1 each Pre-emptive Rights Holder shall subscribe to the number of its pro-rata Equity Securities specified in the Subscription Notice; 8.5.2 if any Pre-emptive Rights Holder has indicated that it is willing to subscribe to all or part of the Unsubscribed Securities pursuant to Article 8.4 (Unsubscribed Securities), it shall also subscribe to such Unsubscribed Securities; 8.5.3 each Pre-emptive Rights Holder shall pay the relevant subscription consideration to the Company; 8.5.4 the Company shall register the name of the Pre-emptive Rights Holder as the beneficial owners (if the issuance is in dematerialized form) or members (if the issuance is in physical form) the relevant number of New Securities for which the relevant Pre-emptive Rights Holder has subscribed; and 8.5.5 if the issuance is in physical form, the Company shall issue new certificates or letter(s) of allotment to the Pre-emptive Rights Holder representing the relevant number of New Securities for which the Pre-emptive Rights Holder has subscribed, and if the issuance is in dematerialised form, the Company shall procure the credit of the relevant number of New Securities subscribed to by the Pre-emptive Rights Holder in the specified demat account of the Pre-emptive Rights Holder. 8.6 Treatment of Remaining New Securities: If there remain otherwise unallocated New Securities for which the Pre-emptive Rights Holder(s) have either: (i) not offered or not committed to subscribe; or (ii) failed to make a payment by the subscription date set out in Article 8.5 (*Subscription*) above, the Board (in its absolute discretion) may allocate and the Company may issue, or choose not to allocate or issue, all or any of the remaining New Securities in such a way as it considers most beneficial to the Company, including to a Third Party. 8.7 Excluded Securities: The foregoing provisions of this Article 8 (*Pre-Emptive Rights*) shall not be applicable to any issuance of Equity Securities in connection with or pursuant to any of the following (such issuance, "Excluded Issuance"): 8.7.1 any Corporate Event or any conversion of any Equity Securities in accordance with their terms thereof; 8.7.2 any proposed IPO approved in accordance with these Articles; 8.7.3 stock options granted pursuant to the ESOP Scheme, or any other scheme of ESOP approved or adopted in accordance with these Articles; or	

	8.7.4	any mergers, acquisitions, restructuring, amalgamations and similar actions approved in accordance with these Articles.	
9.	9.1	Restrictions on Transfer: No Shareholder shall, directly or indirectly, Transfer any Equity Securities and/or any right, title or interest in such Equity Securities to any Person except as expressly permitted by Article 9 (*Transfer of Equity Securities*) or Article 10 (*Exit*). The Company shall not recognize any Transfers or attempts to Transfer any Equity Securities in violation of these Articles and the Agreement, and any purported Transfer in violation of these Articles or the Agreement shall be null and void ab initio. The Company shall: (i) not register such Transfer; and (ii) reject and reverse such Transfer made or attempted, suo moto without necessity of a Board decision and may institute proceedings for this purpose if required by Applicable Law. Any Transfer or attempted or purported Transfer of Equity Securities by any Shareholder in contravention of provisions of these Articles shall constitute a material breach of the Articles and the other Shareholders shall have the right to apply for specific injunctions or other reliefs before a court of law in order to enforce the provisions of the Articles.	Transfer of Equity Securities
	9.2	Conditions to Transfer: No Transfer of any Equity Securities shall be made, unless the transferee has executed a Deed of Adherence.	
	9.3	Transfers by the Parent	
	9.3.1	The Parent and its Affiliates shall be free to Transfer any or all the Equity Securities of the Company acquired or held by it from time to time to any Third Party, subject to Article 9.2 (*Conditions to Transfer*), Article 9.7 (*Right of First Offer*), and Article 9.8 (*Tag Along Right*).	
	9.3.2	Notwithstanding anything to the contrary contained herein, the Parent and its Affiliates shall be permitted to create any security interest on any Equity Securities (including granting lien, creating pledge or mortgage, or subject it to non-disposal undertaking) ("Security Interest") held by it (pursuant to one transaction or a series of transactions), subject only to the satisfaction of each of the following conditions: (i) any transfer of the Equity Securities pursuant to the invocation of any such Security Interest(s) shall be subject to Article 9.7 (*Right of First Offer*) and Tag Along Right under Article 9.8 (Ta*g Along Right*), as applicable; (ii) at the time of creation of any such Security Interest, the Person in whose favour such Security Interest is being created acknowledges and accepts in writing to the Company the conditions set out in Article 9.3.2 (i) above; and (iii) such Security Interest (s) should not result in the Parent (together with its Affiliates) ceasing to hold at least 50.01% (fifty point zero one per cent) of the Share Capital free of any Security Interest.	
	9.4	Transfers by the Investor	
	9.4.1	For a period of 2 (two) years from the Completion Date ("Lock-in Period"), the Investor shall not (directly or indirectly), and shall ensure that its Affiliates shall not (directly or indirectly), Transfer any Equity Securities held by it or its Affiliates in the Company to any Third Party. For the avoidance of doubt, nothing contained in this Article 9.4.1 shall restrict any internal restructuring or re-organisation in respect to the Investor and/or the Abu Dhabi Investment Authority subject to such internal restructuring or reorganisation not leading to any Transfer of the Equity Securities held by the Investor to any Third Party.	
	9.4.2	Post the Lock-in Period, the Investor shall be free to Transfer all or any of the Equity Securities of the Company acquired or held by it from time to time to a Third Party (except a Competitor who is not a Financial Investor) subject to Article 9.2 (*Conditions to Transfer*) and Article 9.7 (*Right of First Offer*).	
	9.5	No Transfer to a Competitor: Notwithstanding anything to the contrary contained in these Articles but subject to Clause 12 of the Agreement and Article 13 (*Events of Default*), the Investor agrees and acknowledges that neither the Investor nor any of its Affiliates shall Transfer any of its Equity Securities to a Competitor that is not a Financial Investor.	
	9.6	Transfer to an Affiliate	
	9.6.1	Subject to the provisions of Article 9.5 (No *Transfer to a Competitor*), the Investor and the Parent shall be free to sell all or any of the Equity Securities held by them to	

their respective Affiliates at any time (including during the Lock-in Period in case of the Investor), subject to such Transfer complying with the conditions set out in Article 9.2 (*Conditions to Transfer*).

9.6.2 The transferring Shareholder shall cause the Affiliate transferee to comply fully with the terms of these Articles and shall be fully responsible for any acts or omissions of such Affiliate that may be made in connection with these Articles, as if they were acts or omissions of its own. Each Shareholder and its Affiliate that is a Shareholder, shall exercise their rights jointly and always vote as a single uniform block, and no Affiliate of a Shareholder shall be entitled to any separate or additional rights or benefits.

9.6.3 The Affiliate transferee shall, and the transferring Shareholder shall cause the Affiliate transferee to, re-sell the Equity Securities to the transferring Shareholder promptly upon the Affiliate transferee: (i) ceasing to be an Affiliate of the transferring Shareholder; or (ii) becoming subject to any dissolution, bankruptcy, liquidation, insolvency or rehabilitation of it, whether voluntary or involuntary.

9.7 Right of First Offer

9.7.1 If the Selling Shareholder wishes to Transfer all or any of its Equity Securities ("ROFO Shares") to any Third Party, then the Selling Shareholder shall provide written notice to the ROFO Holder of its intent to sell the ROFO Shares ("ROFO Notice"). The ROFO Notice shall state the total number of Equity Securities proposed to be Transferred. The ROFO Holder shall have the exclusive option to make an offer to purchase all (and not less than all) of the ROFO Shares in the manner set forth in this Article 9.7 (*Right of First Offer*).

9.7.2 Within 90 (ninety) days from the receipt of the ROFO Notice ("ROFO Response Period"), the ROFO Holder shall have the right to respond by serving a written notice on the Selling Shareholder ("ROFO Response Notice") of: (i) its offer to purchase all (and not less than all) of the ROFO Shares from the Selling Shareholder along with the proposed offer price for the ROFO Shares ("ROFO Price") and any other terms and conditions of the offer ("ROFO Terms"); or (ii) its election not to make an offer to purchase the ROFO Shares. The ROFO Response Notice shall constitute the ROFO holder's binding offer to purchase the ROFO Shares from the Selling Shareholder, which offer shall be irrevocable for the ROFO Response Period or until the receipt of the Third Party Offer Notice (if applicable).

9.7.3 The Selling Shareholder shall have the right to, within a period of 15 (fifteen) days after its receipt of the ROFO Response Notice under Article 9.7.2 ("ROFO Acceptance Period") accept or reject the ROFO Holder's offer to purchase all (and not less than all) of the ROFO Shares at the ROFO Price on the ROFO Terms. In the event the Selling Shareholder agrees to sell the ROFO Shares to the ROFO Holder, the Selling Shareholder shall intimate the ROFO Holder of the same in writing within the ROFO Acceptance Period ("ROFO Acceptance Notice").

9.7.4 In the event the ROFO Response Notice is received within the ROFO Response Period and the Selling Shareholder has issued the ROFO Acceptance Notice, then the Selling Shareholder shall sell all (and not less than all) of the ROFO Shares to the ROFO Holder, and the ROFO Holder shall purchase all (and not less than all) of the ROFO Shares from the Selling Shareholder in accordance with the provisions of these Articles, no later than 30 (thirty) days from the issue of the ROFO Acceptance Notice (which 30 day period may be extended for a reasonable time to the extent reasonably necessary to obtain any Governmental Approvals) ("ROFO Completion Period"). At the closing of such sale: (i) the Selling Shareholder shall, against receipt of the purchase price thereof from such ROFO Holder by wire transfer of immediately available funds, deliver to the ROFO Holder: (a) if the ROFO Shares are in physical form, duly stamped share certificates, properly endorsed for sale, representing the ROFO Shares and duly stamped share transfer deeds validly executed in the name of the ROFO Holder; or (b) if the ROFO Shares are in dematerialised form, issue irrevocable instructions to its depository participant to transfer the ROFO Shares to an account(s) designated by the ROFO Holder; and (ii) the Selling Shareholder and the ROFO Holder shall execute such other documents required pursuant to the ROFO Terms. All stamp duty costs in relation to such Transfer of the ROFO Shares shall be borne by the ROFO Holder.

	9.7.5 In the event that the ROFO Response Notice is not received within the ROFO Response Period, or the ROFO Holder serves a ROFO Response Notice electing not to make an offer to purchase the ROFO Shares, or the Selling Shareholder rejects or does not accept the ROFO Holder's offer to purchase the ROFO Shares or does not issue a ROFO Acceptance Notice within the ROFO Acceptance Period, then, subject to Article 9.8 (*Tag Along Right*), the Selling Shareholder shall have the right, during the 90 (ninety) Business Days period following the expiry of the ROFO Response Period (which 90 (ninety) Business Day period may be extended for a reasonable time to the extent reasonably necessary to obtain any Governmental Approvals) ("Third Party Transfer Period"), to Transfer to any Third Party, all (and not less than all) of the ROFO Shares for a price more than the ROFO Price and the Transfer shall be on terms which have a bearing on the consideration, being no more favourable to the Third Party than those offered by the ROFO Holder in the ROFO Response Notice, if any, provided that, if the Selling Shareholder receives a bona fide offer from any Third Party wherein the price offered by such Third Party is not more than 105% (One hundred five per cent) of the ROFO Price (such price offered by the Third Party, the "Third Party Offer Price"), then the Selling Shareholder shall notify the ROFO Holder of such offer within 7 (seven) days from the receipt of such offer from the Third Party (such notice from the Selling Shareholder to the ROFO Holder, the "Third Party Offer Notice"). Within 15 (fifteen) days from the date of receipt of the Third Party Offer Notice ("Third Party Offer Response Period"), the ROFO Holder shall have the right to respond by serving a written notice to the Selling Shareholder ("Third Party Offer Response Notice") of (i) its offer to purchase all (and not less than all) of the ROFO Shares from the Selling Shareholder at the Third Party Offer Price on the ROFO Terms in accordance with the provisions of these Articles; or (ii) its election not to make purchase the ROFO Shares at the Third Party Offer Price. The Third Party Offer Response Notice shall constitute the ROFO Holder's binding offer to purchase the ROFO Shares from the Selling Shareholder at the Third Party Offer Price. If the ROFO Holder elects to purchase all (and not less than all) of the ROFO Shares, such sale and purchase shall be completed within no later than 15 (fifteen) days from the issue of the Third Party Offer Response Notice (which 15 (fifteen) day period may be extended for a reasonable time to the extent reasonably necessary to obtain any Governmental Approvals). At the closing of such sale, the process and the principles set out in this Article 9.7.5 shall apply. For the avoidance of doubt, it is clarified that where: (a) the Third Party Offer Price is more than 105% (One hundred per cent) of the ROFO Price the Selling Shareholder shall have no obligation to issue a Third Party Offer Notice to the ROFO Holder and shall be free to sell of the ROFO Shares to such Third Party within the Third Party Transfer Period, or (b) the ROFO Holder elects not to purchase the ROFO Shares at the Third Party Offer Price or fails to issue a Third Party Offer Response Notice within the Third Party Offer Response Period, the Selling Shareholder shall be free to sell of the ROFO Shares to such Third Party for a price more than the ROFO Price and the sale shall be on terms which have a bearing on the consideration, being no more favourable to the Third Party than those offered by the ROFO Holder in the ROFO Response Notice. 9.7.6 If the Transfer of: (i) all of the ROFO Shares by the Selling Shareholder to the Third Party is not completed within the Third Party Transfer Period; or (ii) all of the ROFO Shares by the Selling Shareholder to the ROFO Holder is not completed within the ROFO Completion Period, as the case may be, then Article 9.7 (*Right of First Offer*) shall apply de novo to any sale of Equity Securities by the Selling Shareholder. For the avoidance of doubt, the ROFO set forth in Article 9.7 (*Right of First Offer*) is not exercisable "one time only" but rather shall apply in each case of a proposed Transfer by the Selling Shareholder of their Equity Securities. 9.7.7 Notwithstanding the foregoing or anything contained herein, the provisions of Article 9.7 (*Right of First Offer*) shall not apply in case of any Transfer of Equity Securities by the Selling Shareholder to any of its Affiliates. 9.8 Tag-Along Right 9.8.1 Subject to the requirements of the provisions of Article 9.7 (*Right of First Offer*), if the Parent (the "Tag Transferor") proposes to sell any Equity Securities held or owned by it to any Third Party ("Tag Purchaser"), the Investor (the "Tagging	

Shareholder") shall have the right to participate in such sale in accordance with Article 9.8 (*Tag-Along Right*) ("Tag Along Right").

9.8.2 The Tag Transferor shall promptly, but in any case not later than 30 (thirty) days prior to the proposed date of closing of any sale between the Tag Transferor and the Tag Purchaser described in Article 9.8.1, give notice ("Tag Sale Notice") to the Tagging Shareholder.

9.8.3 The Tag Sale Notice shall describe in reasonable detail the proposed sale, including but not limited to the number of Equity Securities proposed to be purchased by the Tag Purchaser, the consideration proposed to be paid by the Tag Purchaser, other material terms and conditions proposed by the Tag Purchaser in respect of such sale, and the name of the Tag Purchaser.

9.8.4 If the Tagging Shareholder wishes to exercise its Tag Along Right, it shall give notice of the exercise ("Tag Notice") to the Tag Transferor within a period of 15 (fifteen) days after receipt of the Tag Sale Notice ("Exercise Period") which shall:

(i) set forth the number of the Tagged Shares it wishes to include in the proposed sale to the Tag Purchaser; and

(ii) state that the Tag Notice constitutes a binding offer by the Tagging Shareholder to sell all Tagged Shares to the Tag Purchaser.

9.8.5 For the purpose of this Article 9.8 (*Tag-Along Right*), "Tagged Shares", with respect to the Tagging Shareholder, shall mean:

(i) subject to Article 9.8.5(ii), such number of Equity Securities held by the Tagging Shareholder as determined by the following formula:

X= [Y / Z] * A

Where: (a) 'X' represents the number of Tagged Shares that the Tagging Shareholder is entitled to offer as part of the sale to the Tag Purchaser; (b) 'Y' represents the number of Equity Shares held by the Tagging Shareholder (determined on a Fully Diluted Basis); (c) 'Z' represents the sum of: (A) number of the Equity Shares held by the Tag Transferor (determined on a Fully Diluted Basis); and (B) the number of the Equity Shares held by the Tagging Shareholder (determined on a Fully Diluted Basis); and (d) 'A' represents the total number of the Equity Shares of the Company proposed to be purchased by the Tag Purchaser from the Tag Transferor (determined on a Fully Diluted Basis); or

(ii) all the Equity Securities held by the Tagging Shareholder, if the proposed sale by the Tag Transferor would result in Change in Control.

9.8.6 Upon receipt of the Tag Notice, the Tag Transferor shall make all necessary arrangements with the Tag Purchaser in order that the Tagged Shares may be included in the relevant transaction and purchased by the Tag Purchaser on the same terms and conditions (including with respect to price) as the Tag Transferors and as described in the Tag Sale Notice and at the same time as the sale of Equity Securities by the Tag Transferor in the transaction. The Tagging Shareholder shall not be required to make any representation or warranty to the Tag Purchaser other than customary warranties on its title, authority and capacity to the Tag Purchaser in relation to such sale and confirmation that the Tagged Shares are being sold free and clear of any Encumbrances.

9.8.7 For the avoidance of doubt, the Tag Along Right of the Tagging Shareholder shall apply regardless of whether the Tagged Shares are of the same class or type of Equity Securities of the Company which the Tag Transferor proposes to sell, provided that, to the extent such a difference in class or type exists, the consideration payable to the Tagging Shareholder for the Tagged Shares shall be calculated as if all the Equity Securities of the Company held by the Tag Transferor and the Tagging Shareholder which will be subject to the proposed sale (assuming the Tagging Shareholder exercises its tag-along rights in full) had been converted into the Equity Shares of the Company on the date immediately prior to the date of the Tag Notice (to the extent not already in the form of the Equity Shares of the Company) at the conversion price which would be applicable on such date had such conversion occurred on such date.

9.8.8 The Tag Transferor shall not sell any of their Equity Securities in the Company to a Tag Purchaser unless, at the same time, the Tag Purchaser purchases all the Tagged Shares from the Tagging Shareholder. Further, if a Tagging Shareholder exercises its Tag-Along Right in accordance with the terms and conditions set forth in Article 9.8 (*Tag-Along Right*), the number of Equity Securities that the Tag Transferor may sell to the Tag Purchaser shall be correspondingly reduced to accommodate the number of the Tagged Shares that the Tagging Shareholder elects to offer as part of the sale to the Tag Purchaser.

9.8.9 Notwithstanding the foregoing or anything to the contrary contained herein, the provisions of Article 9.8 (*Tag-Along Right*) shall not apply in case of any Transfer of Equity Securities by a Tag Transferor to any of its Affiliates.

9.9 Drag Along Right

9.9.1 At any time, if the Parent or any of its Affiliates (the "Dragging Shareholder") receives an offer from a Third Party Purchaser to purchase all (and not less than all) of the Equity Securities of the Company in one transaction, or a series of related transactions such that the sale would result in the Third Party Purchaser holding 100% (one hundred per cent) of the Share Capital of the Company (a "Drag-along Sale"), the Dragging Shareholder shall have the right to require that each other Shareholder (each, a "Dragged Shareholder") participates in such sale in the manner set forth in this Article 9.9 (*Drag Along Right*).

9.9.2 The Dragging Shareholder shall exercise its rights pursuant to this Article 9.9 (*Drag Along Right*) by delivering a written notice (the "Drag-along Notice") to the Company and each Dragged Shareholder no more than 10 (ten) Business Days after the execution by all of the parties thereto of the definitive agreement entered into with respect to the Drag-along Sale and, in any event, no later than 20 (twenty) Business Days prior to the closing date of such Drag-along Sale. The Drag-along Notice shall make reference to the Dragging Shareholder's rights and obligations hereunder and shall describe in reasonable detail:

(i) the name of the Third Party Purchaser to whom the Equity Securities are proposed to be sold pursuant to the Drag-along Sale;

(ii) the proposed date, time and location of the closing of the Drag-along Sale;

(iii) the per share purchase price (which shall not be less than the Drag Floor Price where the Dragged Shareholder is the Investor) and the other material terms and conditions of the Drag-along Sale; and

(iv) a copy of any form of agreement proposed to be executed in connection therewith.

9.9.3 Subject to the satisfaction of the conditions set out in Article 9.9.4 below, each Dragged Shareholder shall sell in the Drag-along Sale all of the Equity Securities held by such Dragged Shareholder ("Dragged Equity Securities") free from Encumbrances.

9.9.4 The amount of consideration per Equity Security to be received by a Dragged Shareholder shall be the same as to be received by the Dragging Shareholder, provided where the Dragged Shareholder is either the Investor or any of its Affiliates, then subject to Applicable Law:

(i) the consideration at which they shall be required to sell pursuant to such Drag-along Sale shall not be less than the Drag Floor Price;

(ii) the consideration shall be paid entirely in cash upfront; and

(iii) the consideration shall be paid without any deduction or withholding for Tax subject to the Investor: (a) providing documentary evidence to the Third Party Purchaser as may be reasonably requested by it (including if requested, an opinion from a reputable tax advisor regarding such exemption); and (b) agreeing to indemnify the Third Party for any and all losses (including damages, liabilities, taxes, penalties, interest, and reasonable legal costs and expenses) to the extent such losses result from or arise out of the Third Party Purchaser not withholding tax from the purchase consideration paid by the Third Party Purchaser to the Investor pursuant to the Drag-along Sale.

9.9.5 The Investor shall not be required to make or provide any representations, warranties, covenants, indemnities, and agreements other than warranties and indemnities on its title, authority and capacity in relation to the sale of its Equity

	Securities in the Drag-along Sale and confirmation that its Equity Securities are being sold free and clear of any Encumbrances. 9.9.6 For the avoidance of doubt, the drag along right of the Dragging Shareholder under Article 9.9 (*Drag Along Right*) shall apply regardless of whether the Dragged Equity Securities are of the same class or type of Equity Securities which the Dragging Shareholder proposes to sell to a Third Party Purchaser, provided that, to the extent such a difference in class or type exists, the consideration payable to the Dragged Shareholder for the Dragged Equity Securities shall be calculated as if all the Equity Securities of the Company held by the Dragging Shareholder and the Dragged Shareholder had been converted into the Equity Shares of the Company on the date immediately prior to the date of the Drag-along Notice (to the extent not already in the form of the Equity Shares of the Company) at the conversion price which would be applicable on such date had such conversion occurred on such date. 9.9.7 All costs and expenses of the Dragging Shareholder incurred in connection with a Drag-along Sale and for the benefit of all Dragged Shareholders, to the extent not paid or reimbursed by the Company or the Third Party Purchaser, shall be shared by all the Dragging Shareholder and the Dragged Shareholder on a pro rata basis, based on the consideration received by each such Shareholder. 9.9.8 Each Shareholder shall take all actions as may be reasonably necessary to consummate the Drag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Dragging Shareholder. Each Dragged Shareholder undertakes to vote, and cause its nominees on the Board (if any) to vote in favour of the Drag-along Sale. 9.9.9 In the event that any Dragged Shareholder fails to execute, complete or deliver any document or undertake the actions necessary to give effect to Article 9.9 (*Drag Along Right*), including any transfer of the Equity Securities proposed to be transferred to the Third Party Purchaser, the Company is hereby authorised to execute, complete or deliver any instruments, document or undertake the actions for the Transfer of the Equity Securities of the Dragged Shareholder in the Drag-along Sale as its duly constituted attorney against the acceptance of payment in full of the amount of consideration for the Equity Securities of the Dragged Shareholder to be held in trust for the Dragged Shareholder. 9.9.10 The Dragging Shareholder shall have 90 (ninety) Business Days following the date of the Drag-along Notice to consummate the Drag-along Sale, on the terms set forth in the Drag-along Notice which 90 (ninety) Business Day period may be extended for a reasonable time to the extent reasonably necessary to obtain any Governmental Approvals or pursuant to the mutual agreement of the Dragging Shareholder and the Dragged Shareholders. 9.9.11 The Dragged Shareholders agree that time will be of the essence in relation to the Transfer of their Equity Securities to the Third Party Purchaser. 9.9.12 Notwithstanding anything contained herein, the provisions of Article 9.7 (Right *of First Offer*), Article 9.8 (*Tag-Along Right*) shall not apply in case of any Transfer of Equity Securities pursuant to Article 9.9 (*Drag Along Right*).	
10.	The provisions of Clauses 10, 11 and 12 of the Agreement shall apply to these Articles, mutatis mutandis, and shall be deemed to incorporated in this Article 10 (*Exit*) as if references in such provisions to the Agreement were references to these Articles.	Exit
11.	Notwithstanding anything contained in these Articles or the Agreement: 11.1 upon the shareholding of the Investor (along with its Affiliate(s)), falling below 7.5% (seven point five per cent) of the Share Capital, all rights accorded to the Investor or any of its Affiliate under Article 4 (*Board of Directors*), Article 6 (*Reserved Matters*) and Article 9.7 (*Right of First Offer*) shall automatically fall away; 11.2 upon the shareholding of the Investor (along with its Affiliate(s)), falling below 5% (five per cent) of the Share Capital, all rights accorded to the Investor or any of its Affiliate under Article 10 (*Exit*) and Clause 13 of the Agreement shall automatically fall away; and 11.3 upon the shareholding of the Investor (along with its Affiliate(s)), falling below 2.5% (two point five per cent) of the Share Capital, all rights accorded to the Investor or any of its Affiliate under these Articles and the Agreement shall automatically fall away.	Fall Away of Investor's Rights

12.	The provisions of these Articles shall automatically cease to apply to a Shareholder upon such Shareholder ceasing to hold any Equity Securities in the Company.	Termination
13.	The provisions of Clause 17 of the Agreement shall apply to these Articles, mutatis mutandis, and shall be deemed to incorporated in this Article 13 (*Events of Default*) as if references in such provisions to the Agreement were references to these Articles.	Events of Default
14.	These Articles will be governed by and interpreted in accordance with the laws of India. Each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of New Delhi solely in connection with enforcement of an award passed by an Arbitration Tribunal in connection with a Dispute.	Governing Law and Jurisdiction;
15.	15.1 Dispute: Any dispute arising out of or in connection with or relating to the These Articles ("Dispute"), between or among two or more Parties ("Disputing Parties") including any question regarding its existence, validity or termination or breach will be referred to the senior executives nominated by the Disputing Parties. In the event any Dispute has arisen, then, any Disputing Party may serve a notice to the other Disputing Party(ies) setting out in reasonable detail the Dispute and proceed towards resolution of the Dispute through mutual discussions between the nominated executives ("Dispute Notice"). 15.2 Arbitration 15.2.1 In the event that the mutual discussions between the nominated executives do not take place for any reason, or executives nominated by the Disputing Parties are unable to resolve the Dispute, in either case within 60 (sixty) days from the date of the receipt of the Dispute Notice by the recipient, the Dispute shall be referred to and finally resolved by arbitration in accordance with Article 15.2 (*Arbitration*). 15.2.2 The Dispute shall be referred in writing by any Disputing Party to binding arbitration ("Arbitration Notice") by a panel of 3 (three) arbitrators ("Arbitration Tribunal"), in accordance with the arbitration rules of the Singapore International Arbitration Centre, provisions whereof shall be deemed to have been incorporated under this Article 15.2 (*Arbitration*) by reference, except to the extent as modified by Article 15.2 (Arbitration). 15.2.3 The seat of the arbitration shall be in Singapore and venue of the arbitration shall be in New Delhi and the proceedings will be conducted in English. 15.2.4 The claimant (or the claimants acting jointly where there is more than 1 (one)) shall nominate 1 (one) arbitrator and the respondent (or the respondents acting jointly where there is more than 1 (one)) shall nominate 1 (one) arbitrator. The third arbitrator, who shall act as chairperson, shall be nominated by the other 2 (two) arbitrators together. 15.2.5 The Parties hereby agree to exclude the applicability of the provisions of Part I of the Indian Arbitration and Conciliation Act, 1996 to any arbitration under this Article 15.2 (*Arbitration*). 15.2.6 The award will be final and binding on the Parties. The award will be enforceable in any competent court. The costs and expenses of arbitration, including, without limitation, the fees of the arbitration and the Parties responsible for bearing such costs, expenses and fees, may be determined by the Arbitration Tribunal. 15.2.7 Notwithstanding the existence of any Dispute or commencement of any arbitration proceedings in accordance with the provisions of this Article 15.2 (Arbitration) but subject to any award or ruling of the Arbitration Tribunal, the rights and obligations of the Parties under these Articles shall remain in full force and effect pending the award in such arbitration proceeding. The Parties shall continue to perform their respective obligations under the Articles to the extent reasonably possible and such proceedings shall be conducted so as to cause minimum inconvenience to the performance by the Parties of such obligations.	Dispute Resolution
16.	The provisions of Clause 23 of the Agreement shall apply to these Articles, mutatis mutandis, and shall be deemed to incorporated in this Article 16 as if references in such provisions to the Agreement were references to these Articles.	Most Favoured Status
17.	The provisions of Clauses 24, 25, 26, 28 and 32 of the Agreement shall apply to these Articles, mutatis mutandis, and shall be deemed to incorporated in this Article 17 as if references in such provisions to the Agreement were references to these Articles.	Miscellaneous

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate Thane – 400604, Maharashtra, India, between 10.00 am to 5.00 pm on any Working Days from the date of filing of this Shelf Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated September 30, 2024 executed between our Company and the Lead Managers read with the amendment to the Issue Agreement, dated November 27, 2024 entered between the Company and the Lead Managers to the Issue.
2. Registrar Agreement dated September 27, 2024 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated September 27, 2024 executed between our Company and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Tripartite agreement dated December 17, 2012 among our Company, the Registrar to the Issue and CDSL.
6. Tripartite agreement dated September 9, 2010 among our Company, the Registrar to the Issue and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated December 26, 2006, as a company limited by shares, issued by Registrar of Companies, Mumbai.
3. Fresh Certificate of Incorporation of our Company dated May 2, 2018, issued by Registrar of Companies, Mumbai, consequent upon change of name of the Company to IIFL Home Finance Limited.
4. Certificate of Registration dated February 3, 2009, bearing registration no. 02.0070.09 issued by the National Housing Bank.
5. Certificate of Registration dated September 14, 2018, bearing registration no. 09.0175.18 issued by the National Housing Bank; pursuant to the change of name of the Company to IIFL Home Finance Limited.
6. Copy of shareholders' resolution on March 31, 2023 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing and security creation limits of the Board of Directors of our Company.
7. Copy of the resolution passed by the Board of Directors dated July 29, 2024 approving the issue of NCDs through public issues.
8. Copy of the resolution passed by the Finance Committee of the Board of Directors at their meeting held on September 30, 2024 approving the Draft Shelf Prospectus.
9. Copy of the resolution passed by the Finance Committee of the Board of Directors at their meeting held on November 27, 2024 approving this Shelf Prospectus.
10. Credit rating letter dated September 30, 2024 by CRISIL assigning a rating of "CRISIL AA (pronounced as CRISIL double A rating)" for the Issue revalidated vide letter dated November 21, 2024 read with the rating rationale dated September 30, 2024 and updated rating rationale as on November 26, 2024.
11. Credit rating letter dated September 9, 2024 by India Ratings assigning a rating of "IND AA/Stable" for the Issue, revalidated vide letter dated November 25, 2024 read with rating rationale dated September 9, 2024 and updated rationale dated November 14, 2024.
12. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Manager to the Issue, Legal Counsel to the Issue, Credit Rating Agencies, Registrar to the Issue, and the Debenture Trustee, Banker to the Company in their respective capacities and the NOCs received from Lenders to our Company in relation to the Issue.
13. Consent of CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) as the agency issuing the industry report titled "Industry report on Housing finance" dated October, 2024, forming part of the section titled "*Industry Overview*".
14. Industry report titled "Industry report on Housing finance" dated October, 2024 issued by CRISIL Market

Intelligence & Analytics (CRISIL MI&A), forming part of the section titled "*Industry Overview"*.

15. Our Company has received the written consent dated November 27, 2024 from Sundaram & Srinivasan, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants (Current Joint Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors and in respect of their reports on Unaudited Interim Condensed Financial Statements dated November 21, 2024 and their report dated September 30, 2024 on the Statement of Possible Tax Benefits in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

16. Our Company has received the written consent dated November 27, 2024 from Suresh Surana & Associates LLP, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants (Erstwhile Joint Statutory Auditors), to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Previous Joint Statutory Auditors and in respect of their audit report dated May 6, 2024 on Audited Financial Statements for Fiscal 2024 in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993"

17. Our Company has received the written consent from Suresh Surana & Associates LLP, Chartered Accountants and M.P. Chitale & Co. Chartered Accountants (Erstwhile Joint Statutory Auditors) each dated September 30, 2024, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Erstwhile Joint Statutory Auditors and in respect of their audit report dated April 24, 2023 on Audited Financial Statements for Fiscal 2023 and their audit report dated April 25, 2022 on Audited Financial Statements for Fiscal 2022 in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993".

18. The report on statement of possible tax benefits dated September 30, 2024 issued by Sundaram & Srinivasan, Chartered Accountants and S.R. Batliboi & Associates LLP, Chartered Accountants.

19. The Limited Review Report dated November 21, 2024 on the Unaudited Interim Condensed Financial Statements as at and for the six months period ended September 30, 2024.

20. Annual Report of our Company for the last three financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

21. In-principle listing approval from BSE by its letter no. DCS/HB/PI-BOND/23/24-25 dated October 14, 2024.

22. In-principle listing approval from NSE by its letter no. NSE/LIST/D/2024/0320 dated October 11, 2024

23. Due Diligence Certificate dated November 27, 2024 filed by Trust Investment Advisors Private Limited with SEBI.

24. Due Diligence certificate dated September 30, 2024 filed by the Debenture Trustee to the Issue.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We certify that all the disclosures and statements made in this Shelf Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Shelf Prospectus is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association. We further certify that the contents of this Shelf Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

Signed by the Directors of our Company

Monu Ratra CEO & Whole Time Director **DIN:** 07406284	Nirmal Bhanwarlal Jain Director **DIN:** 00010535	Venkataraman Rajamani Director **DIN:** 00011919
Mohua Mukherjee Director **DIN**: 08714909	Srinivasan Sridhar Additional Director **DIN:** 00004272	Kabir Mathur Nominee Director **DIN:** 08635072
Venkataramanan Anantharaman Director **DIN:** 01223191	Ramakrishnan Subramanian Director **DIN**: 02192747	Mathew Joseph Director **DIN:** 01033802
Mohan Sekhar Additional Director **DIN:** 00032093		

Date: November 27, 2024

Place: Mumbai

ANNEXURE A – RATING, RATIONALE AND PRESS RELEASE

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CRISIL Ratings

CONFIDENTIAL

RL/IDIFHF/353256/NCD/0924/99412/94573509
September 30, 2024

Mr. Gaurav Seth
Chief Financial Officer
IIFL Home Finance Limited
Plot no. 98, Udyog Vihar Phase IV
Sector 18, Gurgaon
Gurgaon - 122015
9811098770

Dear Mr. Gaurav Seth,

Re: Review of CRISIL Rating on the Rs.4000 C1·ore Non Convertible Debentm·es&@of IIFL Home Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous smveillance and review.

CRISIL R tings has, after due consideration, reaffirmed its CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) rating on the captioned debt instmment and removed the rating from Rating watch with Developing implications. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry ve1y low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or stmcture of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings rese1ves the right to witlidraw, or revise the rating / outlook assigned to the captioned instrument at any tinie, on the basis of new infonnation, or unavailability of infonnation, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisihatings.com and sear-di with the narne of the rated entity to access the latest r ting/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22. 2013) on centralized database for co1porate bonds/debentures, you are required to provide international securities identification number (ISIN; along with tlie reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. Tiie circular also requires you to share this i.nfomiation with us within 2 days after the allotment of the !SIN. We request you to mail us all tlie necessary arid relevarit infomiation at debtissue@crisil.com. Tiiis will enable CRISIL Ratings to verify and confinn to the depositories, including NSDL arid CDSL, the !SIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch witli us.

With warrn regards,

Yours sincerely,

Vani Ojasvi
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

& Interchangeable between secured and subordinated debt

@Includes Public Issue of NCDs of Rs 3000 crore

CRISIL
Ratings

CONFIDENTIAL

RL/IDIFHF/353256/NCD/1124/102230/168551716
November 21, 2024

Mr. Gaurav Seth
Chief Financial Officer
IIFL Home Finance Limited
Plot no. 98, Udyog Vihar Phase IV
Sector 18, Gurgaon
Gurgaon - 122015
9811098770

Dear Mr. Gaurav Seth,

Re: CRISIL rating on the Rs.4000 Crore Non Convertible Debentures&@ of IIFL Home Finance Limited.

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated September 30, 2024 bearing Ref. no: RL/IDIFHF/353256/NCD/0924/99412/94573509

Rating outstanding on the captioned debt instruments is "CRISIL AA/Stable" (pronounced as "CRISIL double A rating" with Stable outlook). Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk..

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Vani Ojasvi
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

& Interchangeable between secured and subordinated debt
@ Includes Public Issue of NCDs of Rs 3000 crore

CRISIL Ratings Limited
A subsidiary of CRISIL Limited, an S&P Global Company
Corporate Identity Number: U67100MH2019PLC326247

Regist
ered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

CRISIL
Ratings

Rating Rationale

September 30, 2024 | Mumbai

IIFL Home Finance Limited

Long-term rating removed from 'Watch Developing'; Ratings reaffirmed

Rating Action

Total Bank Loan Facilities Rated	**Rs.13300 Crore**
Long Term Rating	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**

Rs.114.81 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.4000 Crore Non Convertible Debentures&@	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.126.52 Crore Principal Protected Market Linked Non Convertible Subordinated Debentures	**CRISIL PPMLD AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Non Convertible Debentures Aggregating Rs.1060.22 Crore^&	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.5000 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.2497.16 Crore&	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**

& Interchangeable between secured and subordinated debt
@ Includes Public Issue of NCDs of Rs 3000 crore
% For Retail Bond Issuance
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has removed its long-term rating on the debt instrument and bank facilities of IIFL Home Finance Limited (IIFL Home) from 'Rating Watch with Developing Implications' and has reaffirmed the rating at 'CRISIL AA/CRISIL PPMLD AA' while assigning a **'Stable'** outlook. The short-term rating has been reaffirmed at 'CRISIL A1+'.

The rating action follows lifting of the regulatory embargo on the gold loan business of IIFL Finance, disclosed by the company vide the announcement dated September 19, 2024, thereby allowing the group to resume sanctions and disbursements in this segment as in the normal course of business, as well securitization/assignment/sale of loans. The company has demonstrated track record of profitably scaling its gold loan business – which remains one of its core segments. With the regulatory restriction being removed, and the company having taken requisite corrective measures following the action by the Reserve Bank of India (RBI), the group is expected to focus on regaining its market share in the gold loan business which should support restoration of its market position and profitability, which had moderated during the embargo. The time taken to attain its pre-embargo level of growth and profitability, while ensuring full adherence to compliances and regulations, remains monitorable.

The embargo imposed by RBI on March 04, 2024, had ordered IIFL Finance to cease and desist from sanctioning and disbursing gold loans or assigning/securitising/selling any of its gold loans. However, the RBI allowed the company to continue servicing its existing gold loan portfolio, through usual collection and recovery processes. Subsequently, an RBI instituted special audit was conducted wherein all the corrective measures and compliances implemented by IIFL Finance were reviewed. Basis the findings of this inspection, a detailed audit report and a compliance certificate submitted by the audit committee of the company. This was followed by a regulatory inspection which was recently concluded. With all of the above, the embargo was finally lifted on September 19, 2024.

During the restriction period, gold loan portfolio reduced to around Rs 14,727 crore over June 2024 (from Rs 23,354 crore in March 2024) due to the organic run down. Other key businesses of the group viz, home loans, microfinance, loan against property and others, were not directly impacted by this RBI directive. All the corrective measures on operational processes and compliances, highlighted by RBI have been implemented and the company's ability to revive the momentum of growth in the gold loan business, will continue to be monitored.

The ratings continue to be supported by the group's comfortable capitalisation, its established track record of operations in home loans and microfinance segments, and sustained profitability metrics, supported by stable asset quality. These strengths are partly offset by limited diversity in the resource profile, with moderately higher cost of funds vis-à-vis some of the peers.

Consolidated AUM stood at Rs 69,610 crore as on June 30, 2024, with gold loans accounting for 21%. Housing finance and microfinance, which form 40% and 17%, respectively, are carried out via subsidiaries, IIFL Home Finance Ltd (IIFL Home) and IIFL Samasta Finance Ltd (IIFL Samasta). In terms of the earnings profile, the group reported return on assets (RoA) and managed assets (RoMA) of 3.4% and 2.3%, respectively, for fiscal 2024, vis-à-vis 3.3% and 2.3%, respectively, in fiscal 2023 and 2.7% and 2.1%, respectively, in fiscal 2022. This was underpinned by controlled credit cost and upfront income from direct assignment (DA) transactions, and its sustenance considering any potential changes in the business model following the restrictions. RoA and RoMA, on an annualized basis, were 2.2% and 1.6%, respectively, for first quarter of fiscal 2025. Earnings were impacted due to lower net interest margins (NIMs) and increase in operating expenses in the quarter, remains a monitorable. The group has demonstrated ability to raise capital from long-term marquee investors, such as Fairfax, the CDC group and Abu Dhabi Investment Authority (ADIA). However, the resource profile is marked by limited diversity and higher cost of borrowings, compared with peers.

Analytical Approach

CRISIL Ratings has consolidated the business and financial risk profiles of IIFL Finance and its subsidiaries, including IIFL Home and IIFL Samasta. This is because all the companies, collectively referred to as the IIFL Finance group, have significant operational, financial and managerial integration, and operate under a common brand.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Comfortable capitalisation, supported by demonstrated ability to raise capital and an asset-light business model**
  The group has demonstrated its ability to raise capital from long-term marquee investors, such as Fairfax and the CDC group in the past. IIFL Home has also raised Rs 2,200 crore as primary equity from ADIA in the second quarter of fiscal 2023. Consequently, consolidated networth improved to Rs 12,056 crore as on March 31, 2024 (Rs 10,202 crore as on March 31, 2023) and adjusted gearing to 3.9 times (as against 3.9 times). Further, IIFL Finance raised Rs 1,272 crore via rights issue in May 2024 and consolidated networth stood at Rs 13,701 crore as on June 30, 2024 with adjusted gearing stood at 3.1 times as on June 30, 2024. Networth coverage for net non-performing assets (NPAs) was comfortable at 28 times as on June 30, 2024. Given the capital infusion and the asset-light business model, capitalisation should remain comfortable for the projected scale of operations over the medium term.

  IIFL Finance reported a standalone networth and gearing of Rs 5,595 crore and 3.6 times, respectively as on March 31, 2024, Tier I capital adequacy ratio (CAR) and overall CAR stood at 12.56% and 18.85%, respectively, as on the same date. Networth coverage for net NPAs was around 17 times. IIFL Home had networth and gearing of Rs 6,447 crore and 2.7 times, and Tier I and overall CAR of 37.6% and 42.8%, respectively, and networth coverage for net NPAs of around 27 times. As on March 31, 2024, IIFL Samasta reported networth and gearing of Rs 2,010 crore and 4.5 times, respectively. Tier I and overall CAR on the same date were 17.7% and 24.0%, respectively.

- **Established track record of operations and extensive branch network; ability to revive market share in the gold loan business will remain a monitorable**
  Consolidated AUM witnessed a de-growth of 12% as on June 30, 2024 and stood at Rs 69610 crore as against Rs 78,960 crore as on March 31, 2024, driven by rundown in gold loan portfolio along with momentary slowdown in microfinance portfolio. Consolidated AUM stood at Rs 64,638 crore as on March 31, 2023, and Rs 51,210 crore, a year earlier. Majority of the book has been deployed in retail asset classes. Two lending subsidiaries, IIFL Home and IIFL Samasta, are engaged in mortgage finance and microfinance, respectively. In the affordable housing space, the group extends loans of average ticket size of Rs 20 lakhs and within this sub-segment, it is a prominent player. Retail loans (ticket size less than Rs 1 crore) accounted for 98% of the consolidated AUM as on June 30, 2024, making the portfolio highly granular. Also, 67% of the portfolio, excluding gold loans, qualified under priority sector lending. As on June 30, 2024, the group was present across five key segments: home loans (40% of AUM), gold loans (21%), LAP (12%), digital loans (6%) and microfinance (17%), which together accounted for 98% of the AUM, up from 67% as on March 31, 2017.

With the embargo being lifted, the organic run down of the gold loan business has been arrested and hereon, disbursements are expected to pick up. Though the ability of the company to restore the run rate to pre-embargo levels, remains a monitorable. Apart from these, there are two non-core, but synergistic segments: construction and real estate (CRE) funding and capital market lending. The group has been consciously scaling down its book under these segments, which together formed only 2% of the AUM. Under CRE, the group finances completion of projects already funded by it and is also looking at providing smaller ticket construction finance through IIFL Home, as it will be synergistic to its core business. In the capital market segment, the group finances retail clients of IIFL Securities Ltd. Market position benefits from a wide network of 4780branches as on June 30, 2024, which allows the group to cross-sell financial products of other IIFL entities.

On a standalone level, IIFL Finance had an AUM of Rs 20,498 crore as on June 30, 2024 (Rs 29,250 crore as on March 31, 2024 and Rs 25,573 crore as on March 31, 2023) primarily comprising gold loans (72%), digital loans (23%), developer and construction finance (3%), loan against property (1%) and capital markets (1%). IIFL Home had an AUM of Rs 35975 crore as on June 30, 2024 (Rs 35499 crore as on March 31, 2024 and Rs 28,512 crore as on March 31, 2023), comprising home loans (78%), followed by LAP (20%) and construction finance (2%). IIFL Samasta had an AUM of Rs 13138 crore as on June 30 2024 (Rs 14,211 crore as on March 31, 2024 and Rs 10,552 crore as on March 31, 2023).

- **Sustained profitability metrics supported by stable asset quality**

  Consolidated RoA and RoMA were 3.4% and 2.3%, respectively, in fiscal 2024 and 3.3% and 2.3%, respectively, for fiscal 2023. On an absolute basis, consolidated net profit was Rs 1,974 crore in the fiscal 2024 and Rs 1,608 crore in fiscal 2023. Earnings were supported by lower credit cost (provisions and write-offs/average managed assets). Credit cost was marginally better at 1.1% during fiscal 2024 vis-à-vis 1.2% in fiscal 2023 (1.6% in fiscal 2022). Consolidated RoA and RoMA were 2.2% and 1.6% respectively, with net profit stood at Rs 338 crore in first quarter of fiscal 2025. Earnings were impacted due to lower net interest margins (NIMs) and increase in operating expenses in the quarter. NIMs (Total net interest income/average managed assets) and operating expenses(operating expenses /average managed assets), on an annualized basis stood at 7.4% and 4.2% in Q1 FY25 vis-à-vis 7.7% and 3.6% during fiscal 2024.

  On consolidated and standalone basis, gross NPAs (GNPAs) of IIFL Finance stood at 2.3% and 3.7%, respectively, as on March 31, 2024 (1.8% and 1.3%, respectively, as on March 31, 2023, and 3.2% and 2.9%, respectively, as on March 31, 2022). GNPAs spiked during March 2024 due to slippages in gold portfolio. GNPA stood at 2.2% and 3.1%, respectively on consolidated and standalone basis, as on June 30, 2024. Provision coverage ratio[1] as on June 30, 2024, stood at 51%, while the total provisions coverage ratio (total provisions/GNPA) was 128%. On a standalone basis, IIFL Home and IIFL Samasta reported GNPAs of 1.5% and 1.9%, respectively, as on March 31, 2024 (2.2% and 2.1%, respectively, on March 31, 2023, and 3.1% and 3.1%, respectively, on March 31, 2022). It stood at 1.7% and 2.3%, respectively, as on June 30, 2024. GNPAs for the home loan segment stood at 1.3%, for the gold loan portfolio at 2.9%, LAP at 3.6%, digital loans at 3.3% and microfinance at 2.3% as on June 30, 2024.

  Ability to keep delinquencies under check and manage credit cost will remain critical for sustaining healthy profitability. With regard to the gold loan business, until the restrictions are lifted – the extent of decline in profitability, if any, remains a monitorable.

Weakness:

- **Limited diversity in resource profile with comparatively higher cost of funds; ability to restore the volume and quality of funding to pre-embargo levels, is a key rating monitorable**

  As on June 30, 2024, banks and financial institutions (FIs) constituted 75% of the on-book borrowings of the group-these were primarily in the form of term loans (46%), refinance (17%), short-term borrowings (2%), external commercial borrowings (9%) and others (1%). The remaining 25% of borrowings were in the form of non-convertible debentures (20%), external commercial borrowings from DFIs (4%) and commercial paper (1%). Of this, capital market lenders (such as mutual funds, pension funds, trusts) had limited share. IIFL Finance group has been able to tap the public NCDs route, but the cost of funds remains higher than some of the comparable peers. Nonetheless, the company has a comfortable liquidity profile with no negative cumulative mismatches across time buckets as per the asset liability maturity (ALM) statement dated June 30, 2024.

  Over the medium to long term, ability to diversify the resource base at an optimal cost will be a monitorable, given the relatively higher reliance on banks and FIs.

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[1] Provision coverage ratio = Provisions against GNPAs/GNPAs

Liquidity: Strong

On a provisional basis, as on August 31, 2024, the IIFL Finance group had liquidity of Rs 4595 crore (Rs 3529 crore of cash and equivalents, Rs 354 crore of unutilised cash credit limit and Rs 713 crore of undrawn sanctioned bank limits [including securitisation/DA limit]). Against this, total debt obligation was Rs 3548 crore over the three months through November 2024. On a standalone basis, IIFL Home had surplus cash of Rs 953 crore as on August 31, 2024. This is sufficient to meet debt obligation of Rs 850 crore till November 2024.

Environment, social and governance (ESG) profile

CRISIL Ratings believes that the ESG profile of the IIFL Finance group supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator. The sector has reasonable social impact because of its substantial employee and customer base, and its role in promoting financial inclusion. While there is no direct adverse impact on the environment, lending decisions could have a bearing on environmental and other sustainability related factors.

The IIFL Finance group has demonstrated an ongoing focus on strengthening various aspects of its ESG profile.

Key ESG highlights of the IIFL Finance group

IIFL Finance has replaced incandescent lights with light-emitting diode panels across branches. Rainwater harvesting systems have been installed and wastewater is treated and re-used for domestic purposes.

Of the total workforce at IIFL Finance, gender diversity stands at 26%, as on March 31, 2023. One of the nine board members is a woman.

Of the board members, 63% are independent directors and there is a split between positions of the chairman and CEO. Extensive investor grievance redressal disclosures and mechanism are in place.

There is growing importance of ESG among investors and lenders. The group's commitment to ESG will play a key role in enhancing stakeholder confidence, given the substantial share of foreign investors as well as access to domestic capital market.

Outlook: Stable

The IIFL Finance group will likely improve its earnings profile while scaling up operations and maintaining a diversified product mix. The group's capitalisation is expected to remain comfortable.

Rating sensitivity factors

Upward factors:

- Sustained improvement in profitability, with RoMA reaching 2.8-3.0% on a steady state basis
- Diversification of resource profile at optimal cost of funding
- Significant improvement in market position, along with sound asset quality

Downward factors:

- Inability to regain significant market share in the gold loan segment
- Any further regulatory developments resulting in sustained weakening of the business profile
- Restricted ability to raise resources at competitive rates
- Weakening of asset quality, leading to decline in profitability, with consolidated RoMA remaining below 2%

About the Company

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking, non-banking financial company. The group offers various retail lending products, including gold loans, home loans, LAP, digital loans and microfinance loans, which are the core segments and form 98% of the AUM. Capital market-based lending (margin funding and loans against shares) and construction and developer finance form the balance of the AUM.

On a consolidated basis, IIFL Finance had total income (net of interest expenses) and profit after tax (PAT) of Rs 6,290 crore and Rs 1,974 crore, respectively, in fiscal 2024, against Rs 5,225 crore and Rs 1,607 crore in the previous fiscal. The company had total income (net of interest expenses) and profit after tax (PAT) of Rs 1592 crore and Rs 338 crore, respectively, in first quarter of fiscal 2025

On a standalone basis, IIFL Finance reported total income (net of interest expenses) and PAT of Rs 2,932 crore and Rs 585 crore, respectively, in fiscal 2024, as against Rs 2,633 crore and Rs 806 crore, respectively, in the previous fiscal. The company had total income (net of interest expenses) Rs 585 crore and reported a loss Rs 23 crore, in first quarter of fiscal 2025.

IIFL Home reported total income (net of interest expenses) and PAT of Rs 1,966 crore and Rs 1,027 crore, respectively, in fiscal 2024, against Rs 1,549 crore and Rs 790 crore, respectively, in fiscal 2023. The company had total income (net of interest expenses) and profit after tax (PAT) of Rs 528 crore and Rs 247 crore, respectively, in first quarter of fiscal 2025.

Key Financial Indicators
IIFL Finance (consolidated; CRISIL Ratings-adjusted numbers)

As on/for the period	Unit	June 30, 2024/ Q1FY25	Mar 31, 2024/ FY24	Mar 31, 2023/ FY23
Total assets	Rs crore	58012	62,421	53,001
Total income (net of interest expenses)	Rs crore	1592	6,290	5,225
PAT	Rs crore	338	1,974	1,608
GNPA	%	2.2	2.3	1.8
RoMA	%	1.6	2.3	2.3
On-book gearing	Times	3.1	3.9	3.9

Key Financial Indicators: IIFL Home (Standalone; CRISIL Ratings-adjusted numbers)

As on / for the period	Unit	Mar 31, 2024/ FY24	Mar 31, 2023/ FY23
Total assets	Rs crore	25,434	21,785
Total income (net of interest expenses)	Rs crore	1,966	1,549
PAT	Rs crore	1,027	790
GNPA	%	1.5	2.2
RoMA	%	3.0	2.7
On-book gearing	Times	2.7	2.7

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Complexity levels	Rating assigned with outlook
INE477L07AD0	Non-convertible debentures #	03-Oct-19	9.18%	03-Oct-29	300	Simple	CRISIL AA/Stable
INE477L07AF5	Non-convertible debentures #	12-Nov-20	8.69%	12-Nov-30	300	Simple	CRISIL AA/Stable
INE477L07AG3	Non-convertible debentures #	11-Feb-21	8.60%	11-Feb-28	18	Simple	CRISIL AA/Stable
INE477L07AH1	Non-convertible debentures #	12-Mar-21	8.62%	12-Mar-28	19	Simple	CRISIL AA/Stable
INE477L07AI9	Non-convertible debentures #	16-Apr-21	8.70%	16-Apr-29	21	Simple	CRISIL AA/Stable
INE477L07AI9	Non-convertible debentures #	16-Apr-21	8.70%	16-Apr-29	5	Simple	CRISIL AA/Stable
INE477L07AI9	Non-convertible debentures #	26-Apr-21	8.70%	16-Apr-29	10	Simple	CRISIL AA/Stable
INE477L07AJ7	Non-convertible debentures #	14-May-21	8.70%	14-May-30	21	Simple	CRISIL AA/Stable
INE477L07AJ7	Non-convertible debentures #	01-Jun-21	8.70%	14-May-30	15	Simple	CRISIL AA/Stable
INE477L07AJ7	Non-convertible debentures #	16-Jun-21	8.70%	14-May-30	23	Simple	CRISIL AA/Stable
INE477L07AJ7	Non-convertible debentures #	13-Sep-21	8.70%	14-May-30	35	Simple	CRISIL AA/Stable
INE477L07AJ7	Non-convertible debentures #	24-Sep-21	8.70%	14-May-30	15	Simple	CRISIL AA/Stable
INE477L07AK5	Non-convertible debentures #	28-Sep-21	8.20%	28-Sep-26	112	Simple	CRISIL AA/Stable
INE477L07AT6	Non-convertible debentures #	25-Feb-22	8.59%	25-Feb-30	433.3	Simple	CRISIL AA/Stable
INE477L07AU4	Non-convertible debentures #	28-Feb-22	5.00%	28-Feb-31	74.7	Simple	CRISIL AA/Stable
INE477L08121	Subordinated NCD #	13-Jul-18	9.85%	13-Jul-28	30	Complex	CRISIL AA/Stable
INE477L07AV2	Non-convertible debentures #	31-Mar-23	8.50%	31-Mar-26	280	Complex	CRISIL AA/Stable
INE477L07AW0	Non-convertible debentures #	23-May-23	8.50%	22-May-26	320	Complex	CRISIL AA/Stable
NA	Non-convertible debentures**#	NA	NA	NA	465.16	Simple	CRISIL AA/Stable
NA	Non-convertible debentures**#%	NA	NA	NA	4000	Simple	CRISIL AA/Stable
INE477L07AL3	Non-convertible debentures&#	03-Jan-22	8.25%	03-Jan-25	225.72	Simple	CRISIL AA/Stable
INE477L07AM1	Non-convertible debentures&#	03-Jan-22	Zero Coupon	03-Jan-25	26.73	Simple	CRISIL AA/Stable
INE477L07AN9	Non-convertible debentures&#	03-Jan-22	8.20%	03-Jan-27	52.65	Simple	CRISIL AA/Stable
INE477L07AO7	Non-convertible debentures&#	03-Jan-22	8.50%	03-Jan-27	13.6	Simple	CRISIL AA/Stable
INE477L07AP4	Non-convertible debentures&#	03-Jan-22	Zero Coupon	03-Jan-27	4.25	Simple	CRISIL AA/Stable
INE477L07AQ2	Non-convertible debentures&#	03-Jan-22	8.43%	03-Jan-29	53.74	Simple	CRISIL AA/Stable
INE477L07AR0	Non-convertible debentures&#	03-Jan-22	8.75%	03-Jan-29	22.18	Simple	CRISIL AA/Stable
INE477L07AS8	Non-convertible debentures&#	03-Jan-22	Zero Coupon	03-Jan-29	5.53	Simple	CRISIL AA/Stable
INE477L08147	Subordinated NCD&#	03-Aug-21	10.00%	03-Nov-28	232.72	Complex	CRISIL AA/Stable
INE477L08154	Subordinated NCD&#	03-Aug-21	9.60%	03-Nov-28	382.82	Complex	CRISIL AA/Stable
INE477L08162	Subordinated NCD&#a	03-Aug-21	Zero Coupon	03-Nov-28	40.28	Complex	CRISIL AA/Stable
NA	Long term principal protected market linked debentures**	NA	NA	NA	114.81	Highly complex	CRISIL PPMLD AA/Stable
INE477L08139	Principal protected market linked non-convertible subordinated debentures	14-Aug-18	GSEC Linked	11-Aug-28	100	Highly complex	CRISIL PPMLD AA/Stable
INE477L08139	Principal protected market linked non-convertible subordinated debentures	11-Sep-18	GSEC Linked	11-Aug-28	18.43	Highly complex	CRISIL PPMLD AA/Stable
INE477L08139	Principal protected market linked non-convertible subordinated debentures	18-Sep-18	GSEC Linked	11-Aug-28	7.87	Highly complex	CRISIL PPMLD AA/Stable
NA	Principal protected market linked non-convertible subordinated debentures**	NA	NA	NA	0.22	Highly complex	CRISIL PPMLD AA/Stable
NA	Term Loan 1	NA	NA	24-Jun-27	128.57	NA	CRISIL AA/Stable
NA	Term Loan 2	NA	NA	31-Dec-30	168.97	NA	CRISIL AA/Stable
NA	Term Loan 3	NA	NA	01-Dec-30	382.35	NA	CRISIL AA/Stable
NA	Term Loan 4	NA	NA	22-Mar-28	122.36	NA	CRISIL AA/Stable

NA	Term Loan 5	NA	NA	01-Apr-28	167.11	NA	CRISIL AA/Stable
NA	Term Loan 6	NA	NA	31-Jan-27	27.5	NA	CRISIL AA/Stable
NA	Term Loan 7	NA	NA	27-Jun-25	30	NA	CRISIL AA/Stable
NA	Term Loan 8	NA	NA	29-Jun-25	33.33	NA	CRISIL AA/Stable
NA	Term Loan 9	NA	NA	30-Jun-29	384.34	NA	CRISIL AA/Stable
NA	Term Loan 10	NA	NA	03-Jul-29	218.55	NA	CRISIL AA/Stable
NA	Term Loan 11	NA	NA	01-Aug-25	14.58	NA	CRISIL AA/Stable
NA	Term Loan 12	NA	NA	30-Sep-29	458.33	NA	CRISIL AA/Stable
NA	Term Loan 13	NA	NA	30-Nov-30	812.5	NA	CRISIL AA/Stable
NA	Term Loan 14	NA	NA	01-Feb-31	218.23	NA	CRISIL AA/Stable
NA	Term Loan 15	NA	NA	27-Mar-27	157.08	NA	CRISIL AA/Stable
NA	Term Loan 16	NA	NA	29-Dec-28	224.94	NA	CRISIL AA/Stable
NA	Term Loan 17	NA	NA	29-Dec-30	199.95	NA	CRISIL AA/Stable
NA	Term Loan 18	NA	NA	30-Jan-31	337.5	NA	CRISIL AA/Stable
NA	Term Loan 19	NA	NA	30-Jan-31	385.7	NA	CRISIL AA/Stable
NA	Term Loan 20	NA	NA	11-Mar-27	27.5	NA	CRISIL AA/Stable
NA	Term Loan 21	NA	NA	01-Apr-32	489.2	NA	CRISIL AA/Stable
NA	Term Loan 22	NA	NA	01-Jul-26	3.13	NA	CRISIL AA/Stable
NA	Term Loan 23	NA	NA	01-Apr-27	14.17	NA	CRISIL AA/Stable
NA	Term Loan 24	NA	NA	01-Apr-26	20.9	NA	CRISIL AA/Stable
NA	Term Loan 25	NA	NA	01-Jan-27	24.06	NA	CRISIL AA/Stable
NA	Term Loan 26	NA	NA	01-Apr-31	18.07	NA	CRISIL AA/Stable
NA	Term Loan 27	NA	NA	01-Jul-29	6.59	NA	CRISIL AA/Stable
NA	Term Loan 28	NA	NA	01-Jan-25	4.24	NA	CRISIL AA/Stable
NA	Term Loan 29	NA	NA	01-Oct-33	50.94	NA	CRISIL AA/Stable
NA	Term Loan 30	NA	NA	01-Jul-32	109.84	NA	CRISIL AA/Stable
NA	Term Loan 31	NA	NA	01-Jul-32	95.95	NA	CRISIL AA/Stable
NA	Term Loan 32	NA	NA	01-Jul-25	39.47	NA	CRISIL AA/Stable
NA	Term Loan 33	NA	NA	01-Apr-25	70.96	NA	CRISIL AA/Stable
NA	Term Loan 34	NA	NA	01-Apr-30	31.12	NA	CRISIL AA/Stable
NA	Term Loan 35	NA	NA	01-Oct-25	12.64	NA	CRISIL AA/Stable
NA	Term Loan 36	NA	NA	01-Jan-30	115.82	NA	CRISIL AA/Stable
NA	Term Loan 37	NA	NA	01-Jan-26	10.37	NA	CRISIL AA/Stable
NA	Term Loan 38	NA	NA	01-Oct-30	46.6	NA	CRISIL AA/Stable
NA	Term Loan 39	NA	NA	01-Oct-27	207.34	NA	CRISIL AA/Stable
NA	Term Loan 40	NA	NA	01-Jul-25	28.52	NA	CRISIL AA/Stable
NA	Term Loan 41	NA	NA	01-Oct-31	327.32	NA	CRISIL AA/Stable
NA	Term Loan 42	NA	NA	01-Oct-28	199.2	NA	CRISIL AA/Stable
NA	Term Loan 43	NA	NA	01-Oct-25	12.8	NA	CRISIL AA/Stable
NA	Term Loan 44	NA	NA	01-Jan-29	22.4	NA	CRISIL AA/Stable
NA	Term Loan 45	NA	NA	01-Oct-25	13.94	NA	CRISIL AA/Stable
NA	Term Loan 46	NA	NA	01-Apr-29	22.51	NA	CRISIL AA/Stable
NA	Term Loan 47	NA	NA	01-Oct-32	102.87	NA	CRISIL AA/Stable
NA	Term Loan 48	NA	NA	01-Oct-32	365.25	NA	CRISIL AA/Stable
NA	Term Loan 49	NA	NA	01-Oct-32	185.65	NA	CRISIL AA/Stable
NA	Term Loan 50	NA	NA	01-Oct-29	203.7	NA	CRISIL AA/Stable
NA	Term Loan 51	NA	NA	01-Jul-33	474.34	NA	CRISIL AA/Stable
NA	Term Loan 52	NA	NA	01-Jul-30	462.96	NA	CRISIL AA/Stable
NA	Term Loan 53	NA	NA	01-Oct-33	146.15	NA	CRISIL AA/Stable
NA	Term Loan 54	NA	NA	01-Oct-33	292.3	NA	CRISIL AA/Stable
NA	Term Loan 55	NA	NA	01-Oct-30	288.8	NA	CRISIL AA/Stable
NA	Term Loan 56	NA	NA	01-Jan-34	190	NA	CRISIL AA/Stable
NA	Term Loan 57	NA	NA	01-Jan-34	360	NA	CRISIL AA/Stable
NA	Term Loan 58	NA	NA	01-Jan-31	200	NA	CRISIL AA/Stable
NA	Working capital demand loan	NA	NA	NA	100	NA	CRISIL AA/Stable
NA	Proposed long term bank loan facility^	NA	NA	NA	3430.49	NA	CRISIL AA/Stable
NA	Commercial Paper	NA	NA	7-365 Days	5000	Simple	CRISIL A1+

#Interchangeable between secured and subordinated debt
***not yet issued*
&For retail bond issuance
^Interchangeable with short term bank loan facility
%Includes Public Issue of NCDs of Rs 3000 crore

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
IIFL Finance Ltd	Full	Parent
IIFL Home Finance Ltd	Full	Subsidiary
IIFL Samasta Finance Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	13300.0	CRISIL AA/Stable	13-09-24	CRISIL AA/Watch Developing	29-12-23	CRISIL AA/Positive	07-10-22	CRISIL AA/Stable	11-06-21	CRISIL AA/Stable	CRISIL AA/Negative
			--	12-07-24	CRISIL AA/Watch Developing	27-12-23	CRISIL AA/Positive	30-08-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	--
			--	18-03-24	CRISIL AA/Watch Developing	20-11-23	CRISIL AA/Positive	26-07-22	CRISIL AA/Stable		--	--
			--	12-03-24	CRISIL AA/Watch	27-02-23	CRISIL AA/Stable	30-06-22	CRISIL AA/Stable		--	--

					Developing							
			--	28-02-24	CRISIL AA/Positive	07-02-23	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable		--	--
			--	09-02-24	CRISIL AA/Positive	06-01-23	CRISIL AA/Stable		--		--	--
			--	30-01-24	CRISIL AA/Positive		--		--		--	--
Commercial Paper	ST	5000.0	CRISIL A1+	13-09-24	CRISIL A1+	29-12-23	CRISIL A1+	07-10-22	CRISIL A1+	11-06-21	CRISIL A1+	CRISIL A1+
			--	12-07-24	CRISIL A1+	27-12-23	CRISIL A1+	30-08-22	CRISIL A1+	31-03-21	CRISIL A1+	--
			--	18-03-24	CRISIL A1+	20-11-23	CRISIL A1+	26-07-22	CRISIL A1+		--	--
			--	12-03-24	CRISIL A1+	27-02-23	CRISIL A1+	30-06-22	CRISIL A1+		--	--
			--	28-02-24	CRISIL A1+	07-02-23	CRISIL A1+	11-03-22	CRISIL A1+		--	--
			--	09-02-24	CRISIL A1+	06-01-23	CRISIL A1+		--		--	--
			--	30-01-24	CRISIL A1+		--		--		--	--
Non Convertible Debentures	LT	7557.38	CRISIL AA/Stable	13-09-24	CRISIL AA/Watch Developing	29-12-23	CRISIL AA/Positive	07-10-22	CRISIL AA/Stable	11-06-21	CRISIL AA/Stable	CRISIL AA/Negative
			--	12-07-24	CRISIL AA/Watch Developing	27-12-23	CRISIL AA/Positive	30-08-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	--
			--	18-03-24	CRISIL AA/Watch Developing	20-11-23	CRISIL AA/Positive	26-07-22	CRISIL AA/Stable		--	--
			--	12-03-24	CRISIL AA/Watch Developing	27-02-23	CRISIL AA/Stable	30-06-22	CRISIL AA/Stable		--	--
			--	28-02-24	CRISIL AA/Positive	07-02-23	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable		--	--
			--	09-02-24	CRISIL AA/Positive	06-01-23	CRISIL AA/Stable		--		--	--
			--	30-01-24	CRISIL AA/Positive		--		--		--	--
Subordinated Debt	LT		--		--		--		--	31-03-21	Withdrawn	CRISIL AA/Negative
Long Term Principal Protected Market Linked Debentures	LT	114.81	CRISIL PPMLD AA/Stable	13-09-24	CRISIL PPMLD AA/Watch Developing	29-12-23	CRISIL PPMLD AA/Positive	07-10-22	CRISIL PPMLD AA r /Stable	11-06-21	CRISIL PPMLD AA r /Stable	CRISIL PPMLD AA r /Negative
			--	12-07-24	CRISIL PPMLD AA/Watch Developing	27-12-23	CRISIL PPMLD AA/Positive	30-08-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	--
			--	18-03-24	CRISIL PPMLD AA/Watch Developing	20-11-23	CRISIL PPMLD AA/Positive	26-07-22	CRISIL PPMLD AA r /Stable		--	--
			--	12-03-24	CRISIL PPMLD AA/Watch Developing	27-02-23	CRISIL PPMLD AA/Stable	30-06-22	CRISIL PPMLD AA r /Stable		--	--
			--	28-02-24	CRISIL PPMLD AA/Positive	07-02-23	CRISIL PPMLD AA/Stable	11-03-22	CRISIL PPMLD AA r /Stable		--	--
			--	09-02-24	CRISIL PPMLD AA/Positive	06-01-23	CRISIL PPMLD AA r /Stable		--		--	--
			--	30-01-24	CRISIL PPMLD AA/Positive		--		--		--	--
Principal Protected Market Linked Non-Convertible Subordinated Debentures	LT	126.52	CRISIL PPMLD AA/Stable	13-09-24	CRISIL PPMLD AA/Watch Developing	29-12-23	CRISIL PPMLD AA/Positive	07-10-22	CRISIL PPMLD AA r /Stable	11-06-21	CRISIL PPMLD AA r /Stable	CRISIL PPMLD AA r /Negative
			--	12-07-24	CRISIL PPMLD AA/Watch Developing	27-12-23	CRISIL PPMLD AA/Positive	30-08-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	--
			--	18-03-24	CRISIL PPMLD AA/Watch Developing	20-11-23	CRISIL PPMLD AA/Positive	26-07-22	CRISIL PPMLD AA r /Stable		--	--
			--	12-03-24	CRISIL PPMLD AA/Watch Developing	27-02-23	CRISIL PPMLD AA/Stable	30-06-22	CRISIL PPMLD AA r /Stable		--	--
			--	28-02-24	CRISIL PPMLD AA/Positive	07-02-23	CRISIL PPMLD AA/Stable	11-03-22	CRISIL PPMLD AA r /Stable		--	--
			--	09-02-24	CRISIL PPMLD AA/Positive	06-01-23	CRISIL PPMLD AA r /Stable		--		--	--
			--	30-01-24	CRISIL PPMLD AA/Positive		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility^	3430.49	Not Applicable	CRISIL AA/Stable
Term Loan	418.5	Bank of Maharashtra	CRISIL AA/Stable
Term Loan	14.58	Shinhan Bank	CRISIL AA/Stable
Term Loan	30	ICICI Bank Limited	CRISIL AA/Stable
Term Loan	4780.92	National Housing Bank	CRISIL AA/Stable
Term Loan	224.94	Indian Bank	CRISIL AA/Stable
Term Loan	384.34	Bank of Baroda	CRISIL AA/Stable
Term Loan	723.2	State Bank of India	CRISIL AA/Stable
Term Loan	812.5	State Bank of India	CRISIL AA/Stable
Term Loan	969.25	Canara Bank	CRISIL AA/Stable
Term Loan	157.08	Kotak Mahindra Bank Limited	CRISIL AA/Stable
Term Loan	122.36	Punjab and Sind Bank	CRISIL AA/Stable
Term Loan	33.33	RBL Bank Limited	CRISIL AA/Stable
Term Loan	27.5	Shinhan Bank	CRISIL AA/Stable
Term Loan	168.97	Central Bank Of India	CRISIL AA/Stable
Term Loan	27.5	DCB Bank Limited	CRISIL AA/Stable
Term Loan	385.34	LIC Housing Finance Limited	CRISIL AA/Stable
Term Loan	489.2	LIC Housing Finance Limited	CRISIL AA/Stable

Working Capital Demand Loan	**100**	**RBL Bank Limited**	**CRISIL AA/Stable**

^Interchangeable with short term bank loan facility

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

Media Relations	Analytical Contacts	Customer Service Helpdesk
Prakruti Jani Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Ajit Velonie Senior Director **CRISIL Ratings Limited** B:+91 22 3342 3000 ajit.velonie@crisil.com Subha Sri Narayanan Director **CRISIL Ratings Limited** B:+91 22 3342 3000 subhasri.narayanan@crisil.com Anjali Lohani Rating Analyst **CRISIL Ratings Limited** B:+91 22 3342 3000 Anjali.Lohani@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

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CRISIL Ratings

Credit Bulletin

November 26, 2024 | Mumbai

Update on IIFL Home Finance Limited

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This Credit Bulletin is published solely to update the bank-wise facility details in line with RBI requirement. For other sections please refer to the previous Rating Rationale September 30, 2024

Click Here to access the previous Rating Rationale.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility&	1880.49	Not Applicable	CRISIL AA/Stable
Term Loan	157.08	Kotak Mahindra Bank Limited	CRISIL AA/Stable
Term Loan	418.5	Bank of Maharashtra	CRISIL AA/Stable
Term Loan	14.58	Shinhan Bank	CRISIL AA/Stable
Term Loan	30	ICICI Bank Limited	CRISIL AA/Stable
Term Loan	5980.92	National Housing Bank	CRISIL AA/Stable
Term Loan	224.94	Indian Bank	CRISIL AA/Stable
Term Loan	384.34	Bank of Baroda	CRISIL AA/Stable
Term Loan	723.2	State Bank of India	CRISIL AA/Stable
Term Loan	812.5	State Bank of India	CRISIL AA/Stable
Term Loan	1169.25	Canara Bank	CRISIL AA/Stable
Term Loan	122.36	Punjab and Sind Bank	CRISIL AA/Stable
Term Loan	33.33	RBL Bank Limited	CRISIL AA/Stable
Term Loan	27.5	Shinhan Bank	CRISIL AA/Stable
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& - Interchangeable with short term bank loan facility

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Prakruti Jani Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Ajit Velonie Senior Director **CRISIL Ratings Limited** B:+91 22 3342 3000 ajit.velonie@crisil.com Subha Sri Narayanan Director **CRISIL Ratings Limited** B:+91 22 3342 3000 subhasri.narayanan@crisil.com Anjali Lohani Rating Analyst **CRISIL Ratings Limited** B:+91 22 3342 3000 Anjali.Lohani@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

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IndiaRatings & Research
A Fitch Group Company

FitchGroup

Mr. Gaurav Seth
Chief Financial Officer
Plot no. 98, Udyog Vihar Phase IV
Sector 18, Gurgaon, Haryana 122015

September 09, 2024

Dear Sir/Madam,

Re: Rating Letter of IIFL Home Finance Limited

India Ratings and Research (Ind-Ra) has taken the following rating actions on IIFL Home Finance Limited (IIFL Home) debt instruments:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures ^	-	-	-	INR2,500	IND AA/Rating Watch with Negative Implications	Maintained on Rating Watch with Negative Implications
Non-convertible debentures ^	-	-	-	INR30,000	IND AA/Rating Watch with Negative Implications	Assigned; placed on Rating Watch with Negative Implications

^Yet to be issued

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

K Gupta

Karan Gupta
Director

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Gaurav Seth
Chief Financial Officer
Plot no. 98, Udyog Vihar Phase IV
Sector 18, Gurgaon, Haryana 122015

November 25, 2024

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of IIFL Home Finance Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of :

-INR 32500 mn Non Convertible Debentures: IND AA/Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

K Gupta

Karan Gupta
Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
Non-convertible debentures(Secured)	INE477L07AY6	15/10/2024	8.7	20/10/2025	IND AA/Stable	2500
Non-convertible debentures(Secured) (Unutilised)					IND AA/Stable	30000

India Ratings Maintains IIFL Home Finance's NCDs on Rating Watch with Negative Implications; Rates New NCDs

Sep 09, 2024 | Financial Institution

India Ratings and Research (Ind-Ra) has taken the following rating actions on IIFL Home Finance Limited's (IIFL Home) debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures ^	-	-	-	INR2,500	IND AA/Rating Watch with Negative Implications	Maintained on Rating Watch with Negative Implications
Non-convertible debentures ^	-	-	-	INR30,000	IND AA/Rating Watch with Negative Implications	Assigned; placed on Rating Watch with Negative Implications

^Yet to be issued

Analytical Approach

Ind-Ra continues to take a fully consolidated view of the business and financial risk profiles of IIFL Finance Ltd ('IND AA'/Rating Watch with Negative Implications) and its subsidiaries - IIFL Home Finance Ltd (79.59% stake; debt rated 'IND AA'/Rating Watch with Negative Implications) and IIFL Samasta Finance Ltd (99.56%; debt rated 'IND AA'/Rating Watch with Negative Implications), collectively referred to as the IIFL Finance group, while arriving at the ratings. This is because of the significant operational, financial and managerial integration among the entities. Also, all the entities operate under a common brand. The rating reflects the sizeable franchisee of the group in segments such as affordable housing finance and microfinance loans. It also factors in the distribution network and geographically widespread presence of the group. Furthermore, the entity is adequately capitalised due to healthy internal accruals , infusion of equity capital in the housing finance business and rights issue in IIFL Finance, which was concluded in May 2024.

Detailed Rationale of the Rating Action

Ind-Ra has maintained the ratings on Rating Watch with Negative Implications in view of the continuance of the ban imposed by the Reserve Bank of India on gold loans. In March 2024, the RBI had imposed restrictions on IIFL from sanctioning/disbursing or assigning/securitising gold loans due to material supervisory concerns. The RBI's main concerns were related to deviations in certifying the purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default; breaches in the loan-to-value ratio; cash collection and disbursements over the statutory limit; and non-compliance with the standard auction process. Ind-Ra would monitor the developments on this front and will resolve the Rating Watch when in the agency's opinion the credit and business profile of IIFL has undergone a change due to the ongoing regulatory proceedings.

List of Key Rating Drivers

Strengths

Significant player in major segments, but regulatory issue impacting franchisee growth
Adequate capitalisation
Asset quality so far under contro

Weaknesses

Profitability at consolidated level under pressure due to regulatory overhang
Funding mobilisation needs to be closely monitored

Detailed Description of Key Rating Drivers

Significant Player in Major Segments, but Regulatory Issue Impacting Franchisee Growth: IIFL Finance's consolidated asset under management (AUM) declined to INR696.1 billion at 1QFYE25 (FY24: INR789.6 billion, FY23: INR646.4 billion), largely due to the embargo placed on gold finance business. The AUM of the gold finance business decreased to INR121.6 billion as on 5 August 2024 (1QFY25: INR147.3 billion). On a consolidated basis, the AUM declined 11.84% qoq in 1QFYE25, with off-book forming 35% of the AUM mix, including co-lending, which formed about 14% of the AUM. The sequential AUM decline was led by gold loans (down 36.9%), wholesale construction and real estate book (down 21.2%) and microfinance (down 8.3%). Home loans rose 2.4% qoq and digital loans grew 7.2% qoq in 1QFY25.

Given the restriction on incremental disbursement of gold loans, Ind-Ra expects a rundown of the gold portfolio, which is a shorter tenure book. Although the other segments would continue their normal operations, there would be an impact on overall AUM growth. The embargo on gold loan business and the overleveraging concerns in the microfinance segment can impact the franchisee growth in these segments.

IIFL Home is one of the largest players in the affordable housing segment. It had an AUM of INR359.8 billion at end-June 2024, with 78.1% of home loans and the rest being loans against property and construction finance. The company has reduced the proportion of non-home loan book in overall AUM since FY20 while gradually increasing the proportion of home loans. The company shall keep home loans at a minimum proportion of 70% of the overall loan book, catering primarily to the affordable housing segment, which has an average ticket size of around INR1.6 million. The target segment comprises self-employed customers (around 48% of portfolio at end-June 2024), for which the company has devised a unique scorecard-based underwriting model.

Adequate Capitalisation: IIFL Finance's consolidated capitalisation remained adequate in 1QFY25, with a tangible net worth of INR134.79 billion (FY24: INR118.99 billion FY23: INR100.76 billion). The improvement in net worth during 1QFY25 was supported with the rights issue of INR12.7 billion in IIFL Finance during May 2024. The gross leverage stood at 3.1x at end-June 2024 (FY24:3.9x FY21: 3.9x). The group's capitalisation is further supported by the increasing share of the off-balance sheet portfolio of 35% at 1QFYE25 (1QFY24: 39%). This leads to optimum utilisation of capital and better return ratios. Leverage might not increase substantially from here on, given the lower AUM growth as compared to historical trends.

IIFL Finance, which had previously held 100% in IIFL Home, divested a portion of its stake in the company in FY22 when Abu Dhabi Investment Authority acquired a 20.41% stake in the company for INR22 billion. Abu Dhabi Investment Authority has come in with a long-term investment horizon, as articulated by the management. The equity infusion increased the net worth of the company to INR55.5 billion in FY23 (FY22: INR26.8 billion), with capitalisation improving to tier 1 of 39.24% at end-March 2023 (end-March 2022: 21.05%) and leverage reducing to 2.69x (5.3x). Furthermore, the equity helped the company achieve a loan book growth rate of around 20%, taking the AUM to INR359 billion at end-June 2024 (end-March 2022: INR236.1 billion). The leverage stood at 2.62x at end-December 2023. The company had tier 1 ratio of 41.80% and CRAR of 46.54% at 1QFYE25, with leverage of around 2.6x.

IIFL Finance also provides leadership support to the company, wherein the co-promoters, namely Nirmal Jain and R. Venkatraman, act as non-executive directors of IIFL Home. Also, the pan-India presence of the IIFL brand provides visibility to IIFL Home Finance amid the competitive affordable housing market.

Asset Quality so far under Control: IIFL Finance's consolidated gross non-performing assets and net non-performing assets were 2.2% and 1.1%, respectively, during 1QFY25 (FY24: 2.3%/1.2%, FY23: 1.8%/1.1%). The provision coverage ratio stood at 51.30% for 1QFY25, while the total provisions coverage ratio (including standard asset provisioning) was 127.62%. Also, gold (21.2% of AUM at1QFYE25) and home finance (40.4% of AUM), primarily secured, are larger segments of the business, and displayed a resilient performance even during the pandemic, with less volatility in terms of asset quality. Moreover, the MFI business has been performing adequately post the removal of pricing cap, and delinquencies have been in check for the industry post the pandemic. However, Ind-Ra opines that headwinds have appeared for the MFI segment recently due to events such as heatwaves, elections, and field-level attrition. Furthermore, overleveraging in pockets continues to be a cause for concern. IIFL also offers unsecured business loans named as digital loans, and the risk-return trade-off in these loans has been adequate so far. However, being unsecured, the asset quality in this segment can be volatile.

With scale, IIFL Home has maintained stable asset quality, with credit cost on loans standing at 0.8% in 1QFY25 (FY24: 0.57%; FY23: 1%), owing to the settling down of the covid-related asset stress and process-level changes in arenas such as underwriting and collection infrastructure, which were earlier centralised. This improved the gross stage 3 to 1.7% at end-June 2024 (FY23: 2.15%; FY22: 3.10%; FY21: 1.97%) and net stage 3 to 1.2% (1.55%; 2.11%; 1.24%). The company maintained a provision coverage of 0.56% in stage 1 ,12.51% in stage 2 and 31% in stage 3 in 1QFY25, and also maintained a total provision coverage ratio of 1.7%.

Profitability at Consolidated Level Under Pressure due to Regulatory Overhang: Gold loans constitute a significant proportion of the AUM, and it is a high yielding book (around 19% yield); therefore, the restrictions on making incremental disbursements have impacted the group's profitability. IIFL Finance, on a standalone basis, reported a loss of INR220 million in 1QFY25, largely due to lower growth in the AUM, lack of assignment income due to the restrictions, and continuation of operating expenditure since IIFL did not resort to rationalisation of branches and employees. On a consolidated basis, the spreads declined 60bp qoq to 7.3% in 1QFY25, largely due to weaker disbursements in the home (down 17.5% yoy) and MFI segments (down 50% yoy), which impacted the overall yields, though the cost of funds remained flat on a qoq basis at 9.1%. Operating expenditure to AUM increased to 4.01% in 1QFY25 (FY24: 3.91%, FY23: 3.88%), due to which the PPOP declined by 15% yoy and overall PPOP to AUM dipped to 3.70% (FY24:4.85%, FY23: 5.14%). The credit cost in 1QFY25 stood at 2.1% (FY24:2.0%, FY23:2.35%), with the management providing for higher provisions in the real estate and MFI book, and leading to an increase in the provision coverage ratio in stage 2 and stage 3 to 14.3% and 51.3%, respectively, in 1QFY25 (8.4% and 49.1%, respectively, in 4QFY24). In the near term, profitability will depend on the resumption of normal operations.

IIFL Home plans to maintain AUM growth of about 20% yoy and expects to cross INR500 billion in the next 18 months. This would be primarily driven by deepening penetration in branch network, which has expanded over the last two years. The company plans to add 35-40 branches every year for the next two-to-three years. IIFL Home plans to maintain around 35% of the AUM as off-balance sheet book, which consists of assignments and co-lending book. The company maintained stable NIM of 5% in 1QFY25 (FY24: 4.97%, FY23: 4.68%), with ROA of 4% (4.4%, 3.9%). Operating expense to AUM was 1.4% in 1QFY25 (FY23: 1.41% ; FY22: 1.14. Over the last 24 months , the company increased the yields for both home loans and LAP loans by 185-225bp in response to the system-level increase in interest rates. The agency expects IIFL Home to maintain adequate profitability, supported by benign credit cost and stable NIMs.

Funding Mobilisation Needs to Be Closely Monitored: Post the embargo, during 5 March-31 July 2024, IIFL mobilised INR27.8 billion of funding through the direct assignment route. Fresh funding lines via term loan that were secured post 4 March 2024 stood at INR31.1billion. At 1QFYE25, on a consolidated basis, excluding securitisation, the borrowings were largely driven by term loans (55%) and refinance (17%); 25% of the funding was through debentures and the remaining through securitisation and others (4%). During FY24, IIFL Home Finance was able to borrow USD50 million from US International Development Financial Corporation for financing affordable housing loans, USD100 million from IFC World Bank and INR25 billion from National Housing Bank (IND AAA/Stable). Given to the RBI ban, the banking sector could be constrained in taking incremental exposure on the group, and hence, it is a close monitorable for Ind-Ra.

At end-June 2024, IIFL Home had a funding mix consisting of term loans from banks and NBFCs (44% of total borrowings), NCDs (23%), NHB funding lines (28%) and securitisation (1%). Post the embargo, the company was able to raise INR1.5 billion through CP and INR8.4 billion by term loan. It also did direct assignment of INR12.27 billion and co–lending of INR14.245 billion. The company also availed debt from Development Finance Corporation. IIFL Home has a cost of funding advantage, mainly because of the lower cost of funding availed from NHB. In FY24, the company availed debt from NHB under the Green Housing Refinance Scheme for funding its green housing projects.

Liquidity

Adequate: Based on the consolidated ALM (prepared on behavioural basis) for June 2024, IIFL Finance had a cumulative surplus of 15% of assets until one year. The asset liability maturity profile is supported by the short tenure book of gold loans and MFI loans; however, the mortgage book is long tenure. Having said that, the mortgage book's behavioural tenure is shorter than the contractual tenure, which supports the ALM profile. The steady monthly collection of approximately INR10 billion-15 billion on the gold loan book due to the run-down further supports the liquidity. IIFL can raise liquidity by assigning / securitising the loan book. IIFL has not heavily relied on the commercial paper route, which alleviates early redemption pressures to a certain extent. As of August 2024, on a consolidated basis, there were cash and unutilised bank lines of INR45.95 billion, which is sufficient to cover 72% of outflows over the next six months.

On a standalone basis, as per the asset liability maturity profile (behavioral in nature) as of June 2024, there was no negative cumulative surplus in up to one-year bucket and there was a surplus of 2.4%. With pre-payment of around 12% and longer tenor of liability profile, the company has always maintained sufficient liquidity on the books. At end-June 2024, the company had a cash and bank balance of INR6.28billion, supported by unutilised cash credit of INR0.16 billion, liquid investment of INR35 billion and undrawn bank lines of INR6.6 billion against obligations of INR6.67billion for the subsequent three months.

Rating Sensitivities

The Rating Watch with Negative Implications indicates that the ratings may be either downgraded or affirmed. The agency will resolve the Rating Watch when, in the agency's opinion, the credit and business profile of IIFL has undergone a change due to the ongoing regulatory proceedings.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on IIFL Home Finance, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

IIFL Home commenced operations in 2014. It is a part of the IIFL group, and IIFL Finance holds 79.59% stake in the company. The AUM at end-June 2024 stood at INR359 billion, with 390 branches spread across all major states. The company offers secured loan products, which includes housing loans (around 78% of the overall AUM) as well as LAP.

Key Financial Indicators

Parameters (Consolidated)	FY24	FY23
Assets (INR billion)	624	530
Equity (INR billion)	119	100.76
Profit after tax (INR billion)	19.8	16.1
Return on average assets	3.42	3.25
Return on managed assets	2.76	2.78
Equity/ assets (%)	19.31	19.25
Source: Ind-Ra, IIFL Finance		
Note: All ratios in the rating rationale are as per Ind-Ra methodology and can vary from those reported by the company		

Particulars (Standalone)	FY24	FY23
Total assets (INR billion)	254	217.8
Total equity (INR billion)	64	55.5
Profit after tax (INR billion)	10	7.9
Return on average assets (%)	4.3	3.9
Gross leverage (x)	2.7	2.7
Source: Ind-Ra, IIFL Home Finance		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Rating	13 March 2024	16 January 2024
Non-convertible debentures	Long-term	INR32,500	IND AA/Rating Watch with Negative Implications	IND AA/Rating Watch with Negative Implications	IND AA/Positive

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Contact

Primary Analyst
Ismail Ahmed
Senior Analyst
India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East,Mumbai - 400051
+91 22 40356187
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst
Ankit Jain
Senior Analyst
7019549365

Media Relation
Ameya Bodkhe
Marketing Manager
+91 22 40356121

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APPLICABLE CRITERIA

Non-Bank Finance Companies Criteria

Evaluating Corporate Governance

Policy for Placing Ratings on Rating Watch

Financial Institutions Rating Criteria

The Rating Process

India Ratings & Research
A Fitch Group Company

India Ratings Affirms IIFL Home Finance's NCDs at 'IND AA'/Stable ; Off Rating Watch with Negative Implications

Nov 14, 2024 | Financial Institution

India Ratings and Research (Ind-Ra) has taken following actions on IIFL Home Finance Limited's non-convertible debentures (NCDs):

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Non-convertible debentures*	-	-	-	INR32,500	IND AA/Stable	Affirmed; off Rating watch with Negative Implications

*Details in Annexure

Analytical Approach

Ind-Ra continues to fully consolidate the business and financial risk profiles of IIFL Home Finance and its parent IIFL Finance Ltd (NCDs rated at 'IND AA'/Stable; holds 79.59% stake) and its parent's subsidiary IIFL Samasta Finance Ltd (99.56%; debt rated 'IND AA'/Stable), collectively referred to as the group hereafter, while arriving at the ratings. This is because of the significant operational, financial and managerial integration among the entities. Also, all the entities operate under a common brand.

Detailed Rationale of the Rating Action

Ind-Ra has resolved the Rating Watch with Negative Implications following the lifting of restrictions by the Reserve Bank of India on 19 September 2024 on sourcing, sanctioning, and disbursing of gold loans by IIFL Finance. The Reserve Bank of India had imposed the ban on the company on 4 March 2024. This is a significant development for the company, allowing it to focus on building back its gold business. There has been a ramp up in the company's gold loan portfolio post lifting of the embargo. Ind-Ra will continue to monitor the traction on this book complying with all the regulatory requirements. The group's profitability is likely to improve with the resumption of activities in the gold loan business, which is high yielding and offers good risk return trade off.

The rating also factors in IIFL Finance's sizable franchisee, comfortable leverage and adequate resource raising ability. However, Ind-Ra opines that within the group, the asset quality for the microfinance (MFI) segment remains a monitorable and can witness some volatility in the medium term.

List of Key Rating Drivers

Strengths
- Significant player in major segments
- Adequate capitalisation
- Headline asset quality in line with industry for IIFL Home Finance
- Profitability could revive; although, credit cost monitorable for IIFL Finance

Weaknesses

- Funding mobilisation needs to be closely monitored

Detailed Description of Key Rating Drivers

Significant Player in Major Segments: On a consolidated basis, the assets under management (AUM) declined 8.4% yoy to INR669.6 billion in 2QFY25 (FY24: INR789.6 billion, FY23: INR646.4 billion), largely due to the embargo placed on the gold finance business which was down 53.8% YTD in 1HFY25. Thus, regaining of the market share in the gold loan business will remain a rating monitorable. Post the lifting of the ban, IIFL Finance disbursed INR57.2 billion through 2,745 branches between 19 September 2024 and 6 November 2024, which is about 16% of its FY24 disbursements, reflecting tailwinds for the gold loan franchisee. Accordingly, gold AUM increased to INR126.8 billion on 6 November 2024 from INR108.0 billion in 2QFY25 (1QFY25: INR147.3 billion). The off-book was nearly 33.5% of the AUM mix in 2QFY25, including co-lending (about 12.7% of AUM). Furthermore, during the embargo period, IIFL took initiatives to focus on supply chain financing and secured business loan segment through the digital mode, leading to 53% yoy growth in the loan book to INR54.2 billion in 2QFY25. On the other hand, the share of non-core book reduced to 2.7% in 2QFY25 (FY24: 3.6%; FY19: 27%).

IIFL Home is one of the largest players in the affordable housing segment. It had AUM of INR370.1 billion at end-September 2024 with 78.8% of home loans and the remaining being loans against property and construction finance. The company has reduced the proportion of non-home loan book in the overall AUM since FY20 while gradually increasing the home loan proportion. The company shall keep home loans at a minimum proportion of 70% of the overall loan book, catering primarily to the affordable housing segment which has an average ticket size of around INR1.5 million. The target segment comprises self-employed customers (around 76% of portfolio at end-September 2024), for which the company has devised a unique scorecard-based underwriting model.

Adequate Capitalisation: The group's capitalisation remained adequate in 2QFY25 with a tangible net worth of INR137.23 billion (FY24: INR120.56 billion; FY23: INR102.02 billion). The improvement in net worth during 1HFY25 was supported by the rights issue of INR12.7 billion in IIFL Finance during May 2024. The gross leverage (debt/equity) stood at 2.9x in 2QFY25 (FY24: 3.9x; FY21: 3.9x). The group's capitalisation is further supported by the large share of off-balance sheet portfolio of 33.5% at 2QFYE25 (FYE24: 35.6%; FYE23: 38.0%). This leads to optimum utilisation of capital and improved return ratios. Ind-Ra believes the gross leverage is unlikely to increase substantially hereafter, given lower AUM growth than the historical trends.

On a standalone basis, IIFL Finance 's capitalisation remained adequate with tier 1 ratio of 20.07% at 2QFYE25 (FYE24: 12.56%; FYE23: 12.85%) and gross leverage of 2.4x (3.6x; 3.4x). IIFL Home Finance's tier 1 ratio was 44.4% at 2QFYE25 (FYE24: 37.62%; FYE23: 39.2%) and gross leverage was 2.4x (2.7x; 2.7x), while IIFL Samasta Finance's tier 1 ratio was 23.88% (17.7%; 13.5%) and gross leverage was 3.6x (4.6x, 5.4x).

.IIFL Finance, which previously held 100% in IIFL Home Finance, sold 20.41% stake in the company to Abu Dhabi Investment Authority for INR22 billion in FY22. The equity infusion increased the company's net worth to INR55.5 billion in FY23 (FY22: INR26.8 billion), thereby leading to an improvement in the capitalisation levels with tier 1 of 44% at 1HFYE25 (FY24: 37.62%; FY23: 39.24%; FY22: 21.10%) and gross leverage reducing to 2.2x (FY24: 2.7x, FY23: 2.6x)

IIFL Finance also provides leadership support wherein the co-promoters - Nirmal Jain and R. Venkatraman - act as non-executive directors of IIFL Home. Also, the pan-India presence of the IIFL brand provides visibility to IIFL Home Finance amid the competitive affordable housing market.

Headline Asset Quality in line with Industry for IIFL Home Finance: The group's gross non-performing assets were 2.4% in 2QFY25 (FY24: 2.3%; FY23: 1.8%) and net non-performing assets were 1.1% (1.2%; 1.1%). Gold loan (16.1% of AUM at 2QFYE25) and home finance (43.5% of AUM), which are larger segments of the business and primarily secured, reported 1+ days past due (dpd) of 25.8% and 9.8%, respectively, higher than comparable peers; delinquency from these segments remains to be seen. The group's credit cost has been declining since FY21 (FY24: 2%; FY23: 2.35%; FY22: 2.69%; FY21 3.77%), however, inched up to 2.75% in 1HFY25 (annualised), largely because of headwinds in the MFI business and the trailing impact of the run down in the gold business. The provision coverage ratio for the consolidated book for stage 2 and stage 3 stood at 14.6% and 55.5%, respectively, in 2QFY25. The overall provisioning stood at 3.19% of the loan book, which provides comfort. IIFL Finance also offers unsecured business loans such as digital loans; the risk-return trade-off in these loans has been adequate so far. However, being unsecured, the asset quality in this segment can be volatile.

With scale, IIFL Home Finance has maintained stable asset quality with credit cost on loans remaining at 0.7% in 2QFY25 (FY24: 0.57%; FY23: 1%), as the covid-related asset stress has settled down as well as process-level changes have been made in the company such as underwriting and collection infrastructure, which were earlier centralised. This has improved the gross stage assets to 1.6% in 2QFY25 (FY24 : 1.87%; FY23: 2.15%; FY22: 3.10%; FY21: 1.97%) and net non-performing assets to 1.1% (1%; 1.5%; 2.1%; 1.2%).

Profitability Could Revive; Although, Credit Cost Monitorable for IIFL Finance: IIFL Finance's AUM exposure is largely towards high-yielding segments. Ind-Ra expects the company's profitability to revive on scaling up of the gold loan book (about 19 yield). Effective management of credit costs will be key to fully leverage on the benefits of operating scale. Additionally, higher off-balance sheet share in AUM helps to enhance return ratios without heavy capital consumption.

The restrictions on making incremental disbursements during the embargo impacted the group's profitability in 1HFY25. IIFL Finance, on a standalone basis, reported a loss of INR4.64 billion in 1HFY25, largely due to an INR5.87 billion provision for alternate investment fund (AIF) investments, lack of assignment income due to the restrictions, and continuation of operating expenditure since IIFL Finance did not resort to rationalisation of branches and employees. The company's management expects some recovery from the security receipt book due to sale of AIF investment to ARC over the medium term.

On a consolidated basis, the spreads declined 80bp to 7.1% in 1HFY25, largely due to weaker traction in gold and MFI businesses, which impacted the overall yields; although the cost of funds increased only 10bp to 9.2% from 4QFY25. The operating expenditure to AUM increased to 4.05% in 1HFY25 (FY24: 3.91%; FY23: 3.88%), leading to a 20% yoy decline in the pre-provision operating profit (PPOP) to INR13.8 billion and a fall in the overall PPOP/AUM to 4.48% (4.85%; 5.14%). The credit cost stood at 1.8% in 1HFY25 (FY24: 2.0%, FY23: 2.35%) with the management providing for higher provisions in the real estate and MFI book. This led to an increase in the provision coverage ratio in stage 2 and stage 3 to 14.6% and 55.5%, respectively, in 1HFY25 (4QFY24: 8.4% and 49.1%, respectively).

IIFL Home Finance plans to maintain AUM growth of about 20% yoy and expects to cross INR500 billion in the next 18 months. This would be primarily driven by deepening penetration in branch network, which has expanded over the last two years. The company plans to add 35-40 branches each year for the next two-to-three years. IIFL Home Finance plans to maintain around 35% of the AUM as off-balance sheet book, which consists of assignments and co-lending book. The company maintained stable net interest margin of 4.98% in 2QFY25 (FY24: 4.97%; FY23: 4.68%) with return on assets of 4.5% (4.4%, 3.9%) and credit cost of 0.7% (0.57%; 1%). Operating expense to AUM was 1.9% in 2QFY25 (FY24 : 1.8%; FY23: 1.41%; FY22: 1.14%). Over the last 24 months, the company increased yields for both home loans and loan against property loans by 210-240bp in response to the system-level increase in interest rates. The agency expects IIFL Home Finance to maintain adequate profitability supported by stable net interest margins.

Evolving Funding Profile; Mobilisation from Capital Market - Monitorable: During embargo, funding was a key monitorable for IIFL Finance as there were continuous repayments from gold loan book, which was entirely short term and specifically during the embargo from 4 March 2024 to 20 September 2024. IIFL Finance was able to mobilise INR90.8 billion of liquidity, of which INR33.8 billion of funding was through the direct assignment route, INR24.6 billion through term loans, INR16.8 billion through co-lending and INR8.8 billion through the NCD route. Moreover, post 19 September 2024, IIFL raised INR62.8 billion, of which INR21.5 billion was from terms loans, INR9.95 billion through direct assignment route, INR19.7 billion through co-lending, INR3.65 billion through NCDs and INR8 billion through commercial paper (CP). Furthermore, as of 2QFY25, nearly 75% of the entire AUM remains priority sector lending compliant (FY24 :70%, FY23:68%) and can be securitised to raise immediate liquidity.

At 2QFYE25, on a consolidated basis, excluding securitisation, the borrowings were largely driven by term loans (52%), followed by debentures (25%), debt refinancing (16%), short-term debt (4%) and CP (2%). During embargo, IIFL Finance has demonstrated its capability to raise capital with the rights issue in May 2024. This, along with the company's ability to increase its off-book share during stressful periods, strengthens its position in the medium term. However, the share of capital market funding in the borrowing profile remains limited and is a rating monitorable in the medium term.

During FY24, IIFL Home Finance was able to borrow USD50 million from the US International Development Financial Corporation for financing affordable housing loans, USD100 million from IFC World Bank and INR25 billion from National Housing Bank (‘IND AAA’/Stable).

Liquidity

Adequate: Based on the consolidated ALM (prepared on behavioural basis) for September 2024, IIFL Finance had a cumulative surplus of 16.4% of assets until one year. The asset-liability maturity profile is supported by the short tenure book of gold loans and MFI loans; however, the mortgage book has a long tenure. The mortgage book’s behavioural tenure is shorter than the contractual tenure, which supports the ALM profile. IIFL Finance can raise liquidity by assigning/securitising the loan book. IIFL Finance has not heavily relied on the CP route, which alleviates early redemption pressures to a certain extent. As of October 2024, on a consolidated basis, the group had cash and unutilised bank lines of INR46.0 billion, sufficient to cover 104% and 59% of outflows over the next three months and six months, respectively.

On a standalone basis, as per the asset liability maturity profile (behavioral in nature) as of September 2024, there was no negative cumulative surplus in up to one-year bucket and there was a surplus of 4.7%. With pre-payment of around 12% and longer tenor of liability profile, the company has always maintained sufficient liquidity on the books. At end-October 2024, the company had a cash and bank balance of INR9.68billion, supported by undrawn bank lines of INR15.68 billion against obligations of INR7.54 billion for the subsequent three months.

Rating Sensitivities

Positive: Developments that could collectively result in a positive rating action are:
- a significant expansion of the group franchise, along with increasing the market share and maintaining the leadership position in the core business lines, and maintaining capitalisation levels,
- a continuous demonstration of ability to manage asset quality with minimum volatility through the cycle.
- an improvement of profitability buffers,
diversification in the funding profile with optimum proportion of on-book and off-book assets.

Negative: Developments that could individually or collectively, result in a negative rating action include:
- sustained deterioration in the market share or a significant loss of the franchise,
- a sharp increase in the credit cost, leading to sustained depletion of the operating buffers,
- funding challenges and a decline in the liquidity buffer,
- depletion of the capital buffers such that consolidated the gross leverage exceeding 4.5x on a sustained basis.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on IIFL Home Finance, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra’s ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

IIFL Home Finance began operations in 2014. It is a part of IIFL group wherein IIFL Finance holds 79% stake in the company. The AUM at end-June 2024 stood at INR350 billion, with 360 branches present in all major states across the country. The company offers secured loan products which includes housing loans (around 65% of the overall AUM) as well as loan against property.

Key Financial Indicators

Particulars (Consolidated)	FY24	FY23
Assets (INR billion)	624	530
Equity (INR billion)	120.6	102.0
Profit after tax (INR billion)	19.7	16.1
Return on average assets	3.06	3.03
Return on managed assets	2.35	2.29
Equity/assets (%)	19.31	19.25
Source: Ind-Ra, IIFL Finance		

Particulars (Standalone)	FY24	FY23
Total assets (INR billion)	254	217.8
Total equity (INR billion)	64	55.5
Profit after tax (INR billion)	10	7.9
Return on average assets (%)	4.3	3.9
Gross leverage (x)	2.7	2.7
Source: Ind-Ra, IIFL Home Finance		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook	Historical Rating/Outlook/Watch		
				9 September 2024	13 March 2024	16 January 2024
Non-convertible debentures	Long-term	INR32,500	IND AA/Stable	IND AA/Rating Watch with Negative Implications	IND AA/Rating Watch with Negative Implications	IND AA/Positive

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Non-convertible debentures (secured)	INE477L07AY6	15 October 2024	8.70	20 October 2025	INR3,000	IND AA/Stable
Unutilised					INR29,500	
Source: NSDL, Company						

Contact

Primary Analyst
Ismail Ahmed
Senior Analyst
India Ratings and Research Pvt Ltd
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East,Mumbai - 400051
+91 22 40356187
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst
Ankit Jain
Senior Analyst
+91 22 40356160

Media Relation
Ameya Bodkhe
Marketing Manager
+91 22 40356121

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APPLICABLE CRITERIA AND POLICIES

Non-Bank Finance Companies Criteria

Evaluating Corporate Governance

Policy for Placing Ratings on Rating Watch

Financial Institutions Rating Criteria

The Rating Process

DISCLAIMER

ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER

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CONSENT LETTER FROM THE DEBENTURE TRUSTEE TO THE ISSUE

CTL/DEB/24-25/830

August 08, 2024

IIFL Home Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400604, Maharashtra, India

Dear Ma'am/Sir

Subject: Proposed public issue by IIFL Home Finance Limited ("Company" / "Issuer") of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 Each ("NCDs") amounting up to ₹ 100 crore ("Base Issue"), with a green shoe option up to ₹ 400 crore, aggregating up to ₹ 500 crore ("Tranche I Issue"), which is within the shelf limit of ₹ 3,000 crore ("Shelf Limit").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in (i) the tranche I prospectus ("**Tranche I Prospectus**") to be filed with the BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**") and Registrar of Companies, Maharashtra at Mumbai ("**RoC**"); (ii) the abridged prospectus; and (iv) all related advertisements and subsequent communications sent pursuant to the Issue. The NCDs are proposed to be listed on the Stock Exchanges. The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited
Address:	Registered Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038 Corporate Office: Unit No- 901, 9th Floor, Tower- B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013.
Tel:	+91 (022)49220555
Fax:	+91 (022)49220505
Email:	compliancectl-mumbai@ctltrustee.com
Investor Grievance email:	grievance@ctltrustee.com
Website:	https://catalysttrustee.com/
Contact Person:	Mr. Umesh Salvi, Managing Director
Compliance Officer:	Ms. Kalyani Pandey
SEBI Registration No:	IN D000000034
CIN:	U74999PN1997PLC110262
Logo:	CATALYST Believe in yourself... Trust us!

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI or any other regulatory authority from acting as an intermediary in capital market issues. We also confirm that we have not been debarred from functioning as Debenture Trustee by any regulatory authority, court or tribunal.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013, as amended, the SEBI, the Stock Exchanges and any other applicable laws or any other regulatory/statutory authorities as required by law.

We further confirm that the information in relation to us in this letter together with the annexures is true and correct.

We also agree to keep strictly confidential, until such time as the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; (ii) our knowledge of the proposed Issue and (iii) any other information in connection thereto.

We confirm that we will immediately inform you and the Lead Manager of any change, in writing, to the above information until the date when the proposed Public Issue of NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as accurate and updated information until the NCDs commence trading on the Stock Exchanges.

This letter may be relied upon by you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Catalyst Trusteeship Limited**

CATALYST TRUSTEESHIP LIMITED

Authorised Signatory
Name: Saish Bhayye
Designation: Assistant Manager

CC:

Trust investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex Bandra (East),
Mumbai 400 051
Maharashtra, India

Khaitan & Co
One World Centre
10th & 13th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra.