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

IIFL FINANCE LIMITED

IIFL Finance Limited (the "**Company**" or "**Issuer**") 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 Company was changed to a public limited company and our 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 Company 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 Company 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 Company 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 Company 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. Also, our Company 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 Company is a Non-Banking Finance Company- Middle Layer ("NBFC-ML"). For details of the changes in name of our Company, see "*General Information*" beginning on page 59.

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**; Tel.:** +91 22 4103 5000**; Fax:** +91 22 2580 6654;
Corporate Office: 802, 8th Floor, Hubtown Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069, Maharashtra, India; **Tel:** +91 22 6788 1000**; Fax:** +91 22 6788 1010
CIN: L67100MH1995PLC093797; **PAN**: AABCI0745G; **Website:** www.iifl.com; **Email**: csteam@iifl.com
Company Secretary and Compliance Officer: Samrat Sanyal; **Tel.:** +91 22 6788 1000; **Email:** csteam@iifl.com
Chief Financial Officer: Kapish Jain; **Tel**: + 91 22 6788 1000 ; **Email**: kapish.jain@iifl.com

PUBLIC ISSUE BY THE COMPANY OF UP TO 2,50,00,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), AGGREGATING UP TO ₹ 2,500 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 DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND RELEVANT TRANCHE PROSPECTUS(ES) (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 NCS MASTER CIRCULAR, AS AMENDED FROM TIME TO TIME. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTERS

Our promoters: (i) Mr. Nirmal Bhanwarlal Jain; Email: csteam@iifl.com; Tel: +91 22 6788 1000 and (ii) Mr. R. Venkataraman; Email: csteam@iifl.com ; Tel: +91 22 6788 1000. For further details see "*Our Promoters*" on page 234.

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 23 and 252, 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 Draft 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 Exchanges 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 437.

CREDIT RATING

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 ₹ 5,000 crore by CRISIL vide their rating rationale dated September 30, 2024 read with rating letter dated October 25, 2024 and "[ICRA] AA (Stable)" for an amount of ₹ 5,000 crore by ICRA vide their rating rationale dated September 25, 2024 read with rating letter dated October 29, 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 ICRA are valid as on the date of this Draft Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchanges 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 exchanges 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 Draft Shelf Prospectus. There are no unaccepted ratings and any other ratings other than as specified in this Draft Shelf Prospectus.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with the Shelf Prospectus and relevant Tranche Prospectus(es) 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 NSE *vide* its letter no. [·] dated [·], 2024 and BSE *vide* its letter no. [·] dated [·], 2024. NSE shall be the Designated Stock Exchange for the Issue.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated November 13, 2024 has been filed with NSE and BSE, pursuant to the provisions of the SEBI NCS Regulations and will be open for public comments for a period of one day from the date of filing of this Draft Shelf Prospectus with NSE and BSE. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Company Secretary and Compliance Officer of our Company. All comments must be received by our Company within one day of hosting this Draft Shelf Prospectus on the website of Stock Exchanges. Comments by post, fax and e-mail shall be accepted, however please note that all comments by post must be received by our Company by 5:00 p.m. (Indian Standard Time) on the subsequent Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Stock Exchanges, Lead Managers and the Company. All comments received on this Draft Shelf Prospectus will be suitably addressed prior to filing of the Shelf Prospectus with ROC.

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**: iiflfinance.ncd@trustgroup.in **Contact Person**: Hani Jalan	**NUVAMA WEALTH MANAGEMENT LIMITED** 801-804, Wing A, Building No 3 Inspire BKC, G Block, Bandra Kurla Complex Bandra East, Mumbai – 400 051 **Tel:** +91 22 4009 4400 **Email**: iifl.ncd@nuvama.com **Website:** www.nuvama.com **Contact Person:** Saili Dave	**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: iifl.ncd@iiflcap.com Website: www.iiflcap.com Contact Person: Yogesh Malpani	**LINK INTIME INDIA PRIVATE LIMITED** C- 101, 1st Floor, 247 Park, Lal Bahadur Shastri. Marg, Vikhroli, Mumbai – 400 083, India **Tel:** +91 810 811 4949 **Fax:** +91 22 4918 6060 **Email:** iiflfinance.ncd2024@linkintime.co.in **Investor Grievance Email:** iiflfinance.ncd2024@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan	**VARDHMAN TRUSTEESHIP PRIVATE LIMITED**** The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Tel:** +91 22 4264 8335/ 4014 0832 **E-mail:** corporate@vardhmantrustee.com **Website:** www.vardhmantrustee.com **Contact Person:** Rushabh Desai

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 (B) **Fax:** +91 22 3342 3050 **Email:** crisilratingdesk@crisil.com **Contact Person:** Ajit Velonie	**ICRA LIMITED** Electric Mansion, 3rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 **Tel.:** +91 22 6114 3406 **Fax**: +91-22-24331390 **Email:** shivakumar@icraindia.com **Contact Person:** L Shivakumar	**Sharp & Tannan Associates Chartered Accountants** 87, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021. **Tel**: +91 22 6153 7500, 2202 2224/8857 **Email**: mumbai.office@sharpandtannan.com **Firm Registration Number**: 109983W	**G. M. Kapadia & Co. Chartered Accountants** 1007, Raheja Chambers 213, Nariman Point, Mumbai – 400 021 **Tel**: +91 22 6611 6611 **Email**: pointmumbai@gmkco.com **Firm Registration Number**: 104767W

ISSUE PROGRAMME***

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

** 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.*

*** Vardhman Trusteeship Private Limited under regulation 8 of SEBI NCS Regulations has by its letter dated October 23, 2024 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, the Shelf Prospectus, and relevant Tranche Prospectus(es) 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(es). 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(es) 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 exchanges 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 Exchanges. 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 59.*

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) 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 511.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft 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 Draft 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 Draft 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/ IIFL	IIFL Finance Limited, a company incorporated under the Companies Act, 1956, validly existing under Companies Act, 2013 and registered as a non-banking financial company with the RBI 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 along with its Subsidiaries, Joint Ventures and Associates on a consolidated basis.
Promoters	The promoters of our Company, being Nirmal Bhanwarlal Jain and R Venkataraman. For further details, please see "*Our Promoters*" on page 234.
Subsidiary	The direct and indirect subsidiaries of our Company, namely: (i) IIFL Home Finance Limited; (ii) IIFL Samasta Finance Limited; (iii) IIFL Open Fintech Private Limited; and (iv) IIHFL Sales Limited. Subsidiaries of the Issuer as at and for the relevant financial year/period as applicable.

Company Related Terms

Term	Description
Articles/ Articles of Association/ AOA	Articles of Association of our Company.
Asset Liability Management Committee or ALCO	Asset Liability Management Committee of our Company was re-constituted by Circulation by the Board of Directors on May 01, 2024, effective from May 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 / 2024 Audited Financial Statements	The Audited Consolidated Financial Statements for Fiscal 2024 and Audited Standalone Financial Statements for Fiscal 2024.
Audited Consolidated Financial Statements for Fiscal 2024 / 2024 Audited Consolidated Financial Statements	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	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

Term	Description
Fiscal 2024 / 2024 Audited Standalone Financial Statements	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 / 2023 Audited Financial Statements	The Audited Consolidated Financial Statements for Fiscal 2023 and Audited Standalone Financial Statements for Fiscal 2023.
Audited Consolidated Financial Statements for Fiscal 2023 / 2023 Audited Consolidated Financial Statements	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 significant 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 / 2023 Audited Standalone Financial Statements	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 significant 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 / 2022 Audited Financial Statements	The Audited Consolidated Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2022.
Audited Consolidated Financial Statements for Fiscal 2022 / 2022 Audited Consolidated Financial Statements	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 significant 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 / 2022 Audited Standalone Financial Statements	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 significant 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., Sharp & Tannan Associates, Chartered Accountants and G.M. Kapadia & Co. Chartered Accountants.
Audit Committee	Audit committee of our Company was re-constituted by the board resolution dated October 23, 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 of our Company or any duly constituted committee thereof.

Term	Description
Board of Directors/Directors	
Corporate Office	The corporate office of our Company is at 802, 8th Floor, Hubtown Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069, Maharashtra, India.
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Company was re-constituted Circulation by the Board of Directors on May 01, 2024, effective from May 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.
CRISIL / CRISIL Ratings	CRISIL Ratings Limited
Directors	Directors of our Company
ECL	Expected credit loss, also referred to as impairment loss allowance.
Erstwhile / Previous Joint Statutory Auditors for FY 2022 and 2023	Chhajed & Doshi, Chartered Accountants and V Sankar Aiyar & Co. Chartered Accountants.
Erstwhile / Previous Joint Statutory Auditors for FY 2024	Sharp & Tannan Associates, Chartered Accountants and Chhajed & Doshi, Chartered Accountants.
Equity Shares	Equity shares of the Company of face value of ₹ 2 each.
ESOP(s)	Employee stock options.
Finance Committee	Finance Committee of our Company as last re-constituted by the Board on October 18, 2023 and as may be further re-constituted from time to time by Board of Directors of the Company.
Loan Book / Gross Loan Book / Gross Loans	Principal outstanding of loans provided to customers.
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: (i) IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*; (ii) 5paisa Capital Limited; (iii) 5paisa P2P Limited; (iv) IIFL Commodities Limited (formerly India Infoline Commodities Limited); (v) IIFL Facilities Services Limited; (vi) 360 ONE WAM Limited (formerly IIFL Wealth Management Limited); (vii) IIFL Management Services Limited; (viii) Livlong Protection & Wellness Solutions Limited (formerly IIFL Corporate Services Limited); (ix) Livlong Insurance Brokers Limited (formerly IIFL Insurance Brokers Limited); (x) 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited); (xi) 360 ONE Prime Limited (formerly IIFL Wealth Prime Limited).
ICRA	ICRA 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 October 23, 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 Draft 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 Circulation by the Board of Directors on May 01, 2024, effective from May 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 Loan Book 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

Term	Description
	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.
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 October 23, 2024 in accordance with applicable laws and as may be further re-constituted from time to time by Board of Directors of the Company.
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai.
Shareholders / Equity 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 208.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company was re-constituted by Circulation by the Board of Directors on May 01, 2024, effective from May 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.
H1 2025 Unaudited Consolidated Financial Results / Unaudited Consolidated Financial Results for the quarter and half ended September 30, 2024	Our unaudited consolidated financial results for the quarter ended and half year ended September 30, 2024, along with the limited review report, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the Listing Regulations.
H1 2025 Unaudited Financial Results / Unaudited Financial Results for the quarter and half ended September 30, 2024	H1 2025 Unaudited Consolidated Financial Results and H1 2025 Unaudited Standalone Financial Results.
H1 2025 Unaudited Standalone Financial Results / Unaudited Standalone Financial Results for the quarter and half ended September 30, 2024	Our unaudited standalone financial results for the quarter ended and half year ended September 30, 2024, along with the limited review report, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the Listing Regulations.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum accompanying the application form for a public issue containing such salient features of the Shelf Prospectus and relevant Tranche Prospectus(es) 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.

Term	Description
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 the Shelf Prospectus, the relevant Tranche Prospectus(es), 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 up to UPI Application Limit which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant Tranche Prospectus(es).
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 ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and the relevant Tranche Prospectus(es).
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 up to 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(es) for each Tranche Issue.
Base Issue Size / Base Issue	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.
Basis of Allotment	The basis on which NCDs will be allotted to applicants, as specified in the relevant Tranche Prospectus(es) 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 Exchanges 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 Exchanges at www.bseindia.com and www.nseindia.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 crore, 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	• Companies within the meaning of Section 2(20) of the Companies Act, 2013;

Term	Description
(Non-Institutional Investors)	• 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 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.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
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 NCS 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(es) for each Tranche Issue.
Consortium Member(s)/ Syndicate Member(s)	As specified in the relevant Tranche Prospectus(es) 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(es) for each Tranche Issue.
Credit Rating Agency(ies)	For the present Issue, the credit rating agencies, being CRISIL and ICRA.
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 Vardhman Trusteeship Private Limited.
Debenture Trustee Agreement	Agreement dated November 6, 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

Term	Description
	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 Exchanges at www.bseindia.com and www.nseindia.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 the Shelf Prospectus and relevant Tranche Prospectus(es) 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 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 Exchanges where applications have been submitted through the app/web interface as provided in the SEBI NCS 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 Exchanges at www.bseindia.com and www.nseindia.com, 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	This Draft Shelf Prospectus dated November 13, 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.
IIFL Capital	IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*
Interest Payment Date/ Coupon Payment Date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.
Issue	Public Issue by the Company of up to 2,50,00,000 secured, rated, listed, redeemable, Non-convertible Debentures of face value ₹ 1,000 each (“**NCDs**” or “**Debentures**”), aggregating up to ₹ 2,500 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 Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es). 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 NCS Master Circular, as amended from time to time.
Issue Agreement	The Issue Agreement dated November 13, 2024, entered between the Company and, the Lead Managers to the Issue namely Trust Investment Advisors Private Limited, Nuvama Wealth Management Limited and IIFL Capital Services Limited *(formerly known as IIFL*

Term	Description
	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.*
Issue Closing Date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.
Issue Documents/ Offer Documents	This Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es), 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(es) 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(es).
Lead Managers	Trust Investment Advisors Private Limited, Nuvama Wealth Management 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.*
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of equity shares and debt securities of our Company
Nuvama	Nuvama Wealth Management Limited
Market Lot	As specified in the relevant Tranche Prospectus(es).
Maturity Date/ Redemption Date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges 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 ₹ 2,500 crore ("**Shelf Limit**") offered through this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus(es).
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 NCS 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(es) for each Tranche Issue.
Public Issue Account 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(es) for each Tranche Issue.

Term	Description
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 Exchanges, as the case may be. In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges 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(es).
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(es).
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 November 6, 2024 entered into between the Issuer and the Registrar under the terms 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 Exchanges 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 Draft Shelf Prospectus together with all interest due and payable on the NCDs, shall be secured by way of first ranking pari passu charge by way of hypothecation over the receivables of the Company, both present and future, book debts, loans and advances and current assets of the Company that are in existence as on the date hereof and that shall come into existence at any time and from time to time hereafter (except those assets of the Company which are exclusively charged in favour of existing charge holders as of date and details of which are disclosed to the Debenture Trustee) such that a security cover of at least 100% of the outstanding principal amounts and interest thereon in respect of the Debentures is maintained at all times until the Maturity Date, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed for each of the relevant Tranche Issue. 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 Draft 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

Term	Description
	445.
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(es) for each Tranche Issue.
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,500 crore to be issued pursuant to this Draft Shelf Prospectus, the Shelf Prospectus, and respective Tranche Prospectus(es).
Shelf Prospectus	The Shelf Prospectus to be filed by our Company with ROC, SEBI and the Stock Exchanges in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. The 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 Exchanges 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 Exchanges with a facility to block funds through UPI Mechanism for application value up to UPI Application Limit and carry out any other responsibilities in terms of the SEBI NCS Master Circular and as specified in the relevant Tranche Prospectus(es).
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 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 Exchanges 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(es) 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 Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.

Term	Description
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 this Draft Shelf Prospectus, the 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 511.
Tripartite Agreements	Tripartite agreement dated July 27, 2020, among our Company, the Registrar and CDSL and tripartite agreement dated March 11, 2005, among our Company, the Registrar and NSDL.
Trust	Trust Investment Advisors Private Limited
UPI/ UPI Mechanism	Unified Payments Interface mechanism in accordance with SEBI NCS Master Circular 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 NCS 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 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 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.

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

Term/ Abbreviation	Description/Full Form
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
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

Term/ Abbreviation	Description/Full Form
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 / SBR Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
RERA	Real Estate Regulatory Authority
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 NCS 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 NBFCs	CRISIL Market Intelligence & Analytics as the agency issuing the industry report titled "NBFC Report August 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 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

Term/Abbreviation	Description/Full Form
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 59, 23, 133, 238, 118, 502, 251 and 363, 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 163, 23, 133 and 238, 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 Draft Shelf Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “we”, “us”, “our” are to IIFL 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 Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

All references in this Draft 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 Draft 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 Draft Shelf Prospectus are to a calendar year ended on December 31 and all references to a financial year in this Draft 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, Sharp & Tannan Associates, Chartered Accountants and Chhajed & Doshi, Chartered Accountants.

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 Chhajed & Doshi, Chartered Accountants and V Sankar Aiyar & Co. Chartered Accountants.

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, Chhajed & Doshi, Chartered Accountants and V Sankar Aiyar & Co. Chartered Accountants.

4. The H1 2025 Unaudited Standalone Financial Results and H1 2025 Unaudited Consolidated Financial Results 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 H1 2025 Unaudited Standalone Financial Results and H1 2025 Unaudited Consolidated Financial Results have been reviewed by Current Joint Statutory Auditors i.e. Sharp & Tannan Associates, Chartered Accountants and G.M. Kapadia & Co. Chartered Accountants. The H1 2025 Unaudited Standalone Financial Results and H1 2025 Unaudited Consolidated Financial Results are not indicative of full year results and are not comparable with Audited Financial Statements.

The Audited Financial Statements and the H1 2025 Unaudited Financial Results are included in this Draft Shelf Prospectus.

The auditors reports on the Audited Financial Statements and the review report on the H1 2025 Unaudited Financial Results are included in this Draft Shelf Prospectus in "*Financial Statements*" on page 251.

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 Draft Shelf Prospectus is derived from the Audited Financial Statements and for the quarter and half year ended September 30, 2024 is derived from our H1 2025 Unaudited Financial Results. Accordingly, the degree to which the Audited Financial Statements and H1 2025 Unaudited Financial Results in this Draft 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 Draft Shelf Prospectus should accordingly be limited.

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

Unless stated otherwise, macroeconomic and industry data used throughout this Draft 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 Draft Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft 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 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 the 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 Draft 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 Draft Shelf Prospectus, all figures have been expressed in 'in crore'. 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 Draft 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 Draft Shelf Prospectus has been obtained from the industry report titled "NBFC Report August 2024" ("**Industry report on NBFCs**") 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 Draft 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 Draft 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 Draft Shelf Prospectus has been extracted from an industry report titled "NBFC Report August 2024", prepared and issued by CRISIL MI&A. Please see "*Industry Overview*" on page 133 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 23. 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	83.79	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 Draft 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 Draft 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:

- We are subject to periodic inspections by the RBI. Any deficiencies highlighted by RBI are required to be rectified and we may be subject to penal action in the event of failure to comply with RBI directions. Any such penal action could adversely impact our overall brand, profitability and results of operations. We are subject to supervision and regulation by the RBI as a NBFC-ML, and changes in RBI's regulations governing us could adversely affect our business.
- We may not be able to realise the full value of our pledged gold, and inaccurate appraisal of the pledged gold jewellery by our personnel may adversely affect our business and exposes us to potential loss.
- Our Company, Directors, Promoters and our Subsidiaries are involved in certain legal and regulatory proceedings and any adverse outcome in these or other proceedings may adversely affect our future financial performance, business and our operations.
- Our Company's inability to recover the amounts due from customers to whom it has provided secured and unsecured loans in a timely manner, or at all, and its full collateral and its customers' failure to comply with applicable statutory or regulatory requirements in relation to such loans could adversely affect our Company's operations and profitability.
- High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance.
- Our financial performances are particularly vulnerable to interest rate risk and volatility in interest rates could adversely affect our net interest margin, the value of our fixed income portfolio, our income from treasury operations, the quality of our loan portfolio and our financial performance.
- We may not be able to successfully sustain our growth plans.
- Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business.

For further discussion of factors that could cause our actual results to differ, see "*Risk Factors*" on page 23.

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 133, 163 and 323, respectively. The forward-looking statements contained in this Draft 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 Exchanges.

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 the Shelf Prospectus and the relevant Tranche Prospectus(es) with ROC and the date of receipt of listing and trading permission from the Stock Exchanges 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 Draft Shelf Prospectus, including the chapters "Our Business" and "Financial Statements" on pages 163 and 251, 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 Draft Shelf Prospectus. This Draft 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 Draft Shelf Prospectus.

*This Draft 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 Draft Shelf Prospectus. Certain information in this section includes extracts from – industry report titled "*NBFC Report August 2024*" 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 133.*

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 Financial Information as included in this Draft 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 18.

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

INTERNAL RISK FACTORS

1. ***We are subject to periodic inspections by the RBI. Any deficiencies highlighted by RBI are required to be rectified and we may be subject to penal action in the event of failure to comply with RBI directions. Any such penal action could adversely impact our overall brand, profitability and results of operations.***

As a NBFC-ML, we are subject to annual inspection by the RBI in terms of the Master Directions and under Section 45N of the Reserve Bank of India Act, 1934. As part of its inspection, RBI inspects our books of accounts and other records to verify the correctness or completeness of any statement, information or particulars furnished to the RBI, or for the purpose of obtaining any statements, information or particulars which our Company has failed to furnish on being called upon to do so. RBI issues reports to our Company highlighting areas of concern or matters which may require further improvements to our operations. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We respond to observations made by such authorities and address them appropriately. However, in the event we are unable to resolve such deficiencies to the satisfaction of the RBI, we may be restricted in our ability to conduct our business as we currently do. For example, in respect of RBI inspection with reference to financials position as on March 31, 2023 ("**Inspection Report**"), we have received certain observations from RBI *inter alia* including in respect of high staff attrition rates, complaint management system incapable of storing information with no systems in place for categorizing complaints, deficiency in anti-money laundering ("**AML**") monitoring mechanism for filing of suspicious transaction reporting ("**STR**") and anomalies in Company's agreement with digital lending platforms. The Company has taken various positives steps to comply with RBI observations. The customer redressal mechanism system has been enhanced and updated as per RBI requirements. The Company has enhanced its STR parameters and reviewed its all active agreements with digital lending platforms and has designed a vendor assessment framework and review mechanism to ensure better controls.

Further in the Inspection Report RBI observed certain material supervisory concerns 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 our gold loans. Our Company, however, was permitted to continue service our existing gold loan portfolio through usual collection and recovery processes. RBI, by way of its subsequent letter dated September 19, 2024, has lifted the restrictions imposed on our gold loan business and that we are allowed to offer gold loans.

The AUM of the Company was severely impacted by the embargo on the gold loan business. Our AUM for March 31,2024 was ₹ 78,959.88 crore, which was reduced to ₹ 66,963.51 crore as on September 30, 2024 Our gold loan business contributed 16.12% of our consolidated AUM for September 30, 2024. While our Company is working towards resuming the normal operations since the upliftment of the embargo, we cannot assure you that we would not be subject to further regulatory action or penalties on account any deficiencies.

Further, RBI has in the Inspection Report identified other deficiencies, in our operations such as deficiencies in risk management system, risk culture and implementation of fair practice code, non-adherence to the extant RBI guidelines with respect to reporting to credit information companies ("**CICs**"). We have implemented system controls to prevent LTV breaches. Further, we have updated our Interest Rate Model, as per the fair practices code, which includes granting discretionary power to product-level business heads to determine interest rates for various loan products. With respect to reporting of NPA cases to CICs, we will be reporting data on a monthly basis. Further, the loan management and originating system has been modified to ensure compliance with the Income Tax Act, 1961. Further, the Company has digitized the suspicious transaction monitoring mechanism using a third-party platform, covering parameters such as high-value cash and non-cash transactions and sudden high-value transactions by customers daily and monthly.

While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the regulatory authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation. Further, we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future.

2. ***We are subject to supervision and regulation by the RBI as a NBFC-ML, and changes in RBI's regulations governing us could adversely affect our business.***

Being an NBFC, the operations of our Company are subject to various regulations prescribed by the RBI and other statutory authorities including regulations relating to foreign investment in India. Our Company has a certificate of registration from the RBI to operate as a Non-Banking Financial Company and is regulated by the RBI. Accordingly, legal and regulatory risks are inherent and substantial in our business. As we operate under licenses and registrations obtained from the applicable regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circulars, notifications and regulations issued by the relevant regulators.

As per the Master Directions-Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 dated October 19, 2023, NBFCs are required to consider a loan as non-performing asset if it is overdue for more than 90 days than the earlier norm of 180 days overdue for loans. Our Company is required to maintain a CAR of 15% besides complying with other prudential norms, directions and the requirements under the revised regulatory framework. Further, RBI had by way of circular dated June 24, 2021 capped the dividend pay-out ratios for NBFCs and has laid out minimum prudential guidelines for NBFCs to be eligible for declaring and paying out dividends. Restrictions as laid out by RBI may restrict our Company to pay out dividend to its shareholders. Compliance with many of the regulations applicable to our Company across jurisdictions including any restrictions on investments and other activities currently being carried out by our Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. Further, the RBI may amend regulations/ guidelines applicable to NBFCs in future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

While, RBI has not provided for any restriction on interest rates that can be charged by NBFC-ML, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business. We work in a regulated environment and we cannot predict any restrictions that may be placed by the regulator with respect to interest that is to be charged to our customers in future. There can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

3. ***We may not be able to realise the full value of our pledged gold, and inaccurate appraisal of the pledged gold jewellery by our personnel may adversely affect our business and exposes us to potential loss.***

In case of loan against gold, we may not be able to realise the full value of our pledged gold, due to, among other things, defects in the quality of gold. We cannot assure you that we will be able to auction such pledged gold jewellery at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with the auction process. Any failure to recover the expected value of pledged gold could expose us to a potential loss. Any such losses could adversely affect our financial condition, cash flows and results of operations.

The accurate appraisal of pledged gold jewellery is a significant factor in the successful operation of our business and such appraisal requires a skilled and reliable workforce. Inaccurate appraisal of gold by our workforce may result in gold being overvalued and pledged for a loan that is higher in value than the gold's actual value, which could adversely affect our reputation and business.

Further, we are subject to the risk that our gold appraisers may engage in fraud regarding their estimation of the value of pledged gold. Any such inaccuracies or fraud in relation to our appraisal of gold may adversely affect our reputation, business and financial condition.

4. ***Our Company, Directors, Promoters and our Subsidiaries are involved in certain legal and regulatory proceedings and any adverse outcome in these or other proceedings may adversely affect our future financial performance, business and our operations.***

Our Company, our Directors, our Promoters and our Subsidiaries, are involved, from time to time, in legal and regulatory proceedings that are incidental to our operations and these involve proceedings filed by and against us. These include criminal

and civil proceedings, including arbitration cases, consumer proceedings, tax investigations and cases filed by us under the Negotiable Instruments Act, 1881 and Insolvency and Bankruptcy Code, 2016 and other regulatory and statutory proceedings and notices. These proceedings are pending at different levels of adjudication before various courts, fora, authorities, tribunals and appellate tribunals. A summary of outstanding legal proceedings involving our Company, our Promoters, our Directors and our Subsidiaries as on the date of this Draft Shelf Prospectus is set forth in the table below:

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in crore)
Company						
By the Company	6.477	-	-	-	4	378.91
Against the Company	7	25	4	-	6	244.84
Directors						
By the Directors	-	-	-	-	-	-
Against the Directors	9	-	-	-	3	113.85
Promoters						
By the Promoters	-	-	-	-	-	-
Against the Promoters	9	-	-	-	3	113.85
Subsidiaries						
By the Subsidiaries	17,258	-	-	-	-	266.13
Against the Subsidiaries	30	3	4	-	-	8.23

**We have not included amounts in relation to matters which have no financial implication on us.*

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 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 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 ₹ 10,00,000. 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.

Further, SEBI has by way of a letter dated June 7, 2022 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 our 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. Each of these requests were responded by our Company to SEBI in July 2022. We have and we will respond to any further queries from SEBI.

Further, a first information report 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 IIFL Commodities Limited, 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 Economics Offences Wing, Mumbai, 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 Mr. Nirmal Jain as an accused. MPID Court vide its Order allowed the application and issued the summons. Against, the said order, Mr. 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.

There can be no assurance that these disputes will not be determined against our Company, our Subsidiaries, our Directors or our Promoters or that our Company, our Subsidiaries, our Directors or our Promoters 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 and our Subsidiaries have filed recovery proceedings and also there can be no assurance that similar proceedings will not be initiated against our Company in the future. Further, there could be a material and adverse impact on our reputation, business and results of operations. In addition, even if our Company our Subsidiaries are successful in defending such cases, they will be subject to legal and other costs to defend such litigation, and such costs may be substantial, which may impact our cash flows.

For further details in relation to legal proceedings, please see "*Outstanding Litigations and Defaults*" on page 323.

5. ***Our Company's inability to recover the amounts due from customers to whom it has provided secured and unsecured loans in a timely manner, or at all, and its full collateral and its customers' failure to comply with applicable statutory or regulatory requirements in relation to such loans could adversely affect our Company's operations and profitability.***

Our Company's Loan Book, on a consolidated basis as on September 30, 2024, is ₹ 44,526.78 crore which includes secured loans constituting 67.74% and unsecured loans constituting 32.26% of our Company's Loan Book and as on March 31, 2024, is ₹ 50,833.49 crore, which includes secured loans constituting 69.80% and unsecured loans constituting 30.20% of our Company's Loan Book. Further on a consolidated basis our GNPA was 2.35%, our NNPA was 1.06% and our overall PCR was 135.93% as on September 30, 2024. For further details please refer to the section titled "*Business–- Key Operational and Financial Parameters*" on page 166. Substantial portion of our Company's Loan Book is secure in nature and the value of collateral that we collect is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth real estate sector in India and the areas in which our Company operates, (iv) any change in statutory and/or regulatory requirements; and (v) fluctuation in gold prices. We maintain loan-to-value on the basis of the products being offered and product specific LTVs vary from case to case. In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title as security, prolonged legal proceedings, unavailability of a ready market and fraudulent actions by borrowers, or we may not be able to foreclose on collateral at all. Further, certain kinds of loans that are advanced by us are not secured by any assets. In India, foreclosure on collateral may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. Foreclosure on collateral generally requires a written petition to an Indian court or tribunal, any proceedings brought may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral.

A decline in the value of the security could impair our ability to realize the secured assets upon any foreclosure, which may require us to increase our provision for loan losses. In the event of a default with respect to any of these loans, the amounts we receive upon sale of the secured assets may be insufficient to recover the outstanding principal and interest on the loan. If we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses, our profitability could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In respect to unsecured portion of our Company's Loan Book which accounts to 32.26% on a consolidated basis as on September 30, 2024, in the event of defaults by the customers, our Company's ability to realise the amounts due to it from the loans would be restricted to initiating legal proceedings for recovery as our Company will not have the benefit of enforcing any security interest. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for our Company.

6. ***High levels of customer defaults and the resultant non-performing assets could adversely affect our Company's business, financial condition, results of operations and future financial performance.***

Our Company's business involves lending money and accordingly, our Company is subject to risks of customer default which includes default or delays in repayment of principal and/or interest on the loans our Company provides to its customers. Customers may default on their obligations as a result of various factors, including certain external factors which may not be within our Company's control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates and changes in regulations. Customers could also be adversely affected by factors such as, bankruptcy, lack of liquidity, lack of business and operational failure. If customers fail to repay loans in a timely manner or at all, our Company's financial condition and results of operations will be adversely impacted. To the extent our Company is not able to successfully manage the risks associated with lending to these customers, it may become difficult for our Company to make recoveries on these loans. In addition, our Company may experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. An increase in delinquency rates could result in a reduction in our Company's total interest income (i.e., our Company's accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from its operations, while increasing costs as a result of the increased expenses required to service and collect delinquent loans, and make loan loss provisions as per applicable laws. Our Company may also be required to make additional provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans. For further details please refer to the section "*Business - Key Operational and Financial Parameters*" on page 166.

7. ***Our financial performances are particularly vulnerable to interest rate risk and volatility in interest rates could adversely affect our net interest margin, the value of our fixed income portfolio, our income from treasury operations, the quality of our loan portfolio and our financial performance.***

For the six months period ended September 30, 2024 and six months period ended September 30, 2023 and for the Fiscals 2024, 2023 and 2022, our revenue from operations on a consolidated basis was ₹ 5,185.30 crore, ₹ 4,767.94 crore and ₹ 10,249.43 crore, ₹ 8,258.85 crore and ₹ 6,836.37 crore, respectively, whereas our total comprehensive income post minority was ₹ 123.96 crore, ₹ 894.38 crore, ₹1,747.77 crore, ₹ 1,534.01 crore and ₹ 1,197.11 crore, respectively.

Our Company's financial performance is substantially dependent upon the level of its net interest margins. As at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022 on a consolidated basis, our Loan Book stood at ₹ 44,526.78 crore, ₹ 44,060.55 crore, ₹ 50,833.49 crore, ₹ 40,101.87 crore, and ₹ 34,066.58 crore, respectively and our assets under management were ₹ 66,963.51 crore, ₹ 73,065.63 crore, ₹ 78,959.88 crore, ₹ 64,637.64 crore, and ₹ 51,209.79 crore, respectively.

As a result of certain reserve requirements of the Reserve Bank of India applicable to non-banking financial companies, we are structurally exposed to interest rate risk than other corporates. If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Further, any tightening of liquidity and volatility in markets may limit our access to capital markets and result in an increase in our cost of funding. Continued volatility in international markets could also constrain and increase the cost of our borrowings and our ability to replace maturing borrowings and fund new assets.

Furthermore, we are also exposed to interest rate risks as a result of lending to customers at floating interest rates, which comprise of 55.40% of our consolidated AUM as on September 30, 2024, and in amounts and for periods which may differ from our funding sources. While we seek to match our interest rate positions to minimise interest rate risk, we are unable to assure you that significant variation in interest rates will not have an effect on our results of operations. Moreover, volatility in interest rates is sensitive to factors which are 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 such considerations. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted and the same would adversely affect our business and results of operations.

8. We may not be able to successfully sustain our growth plans.

In recent years, we have experienced steady growth. Our growth plan includes growing our secured and unsecured lending and expanding our retail customer base through strategic business alliances and marketing initiatives, expanding and diversifying our loan product portfolio, growing our operations and network across the country and expanding our customer base across various business verticals in India. However, there can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our Loan Book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. Our gold loan business contributed 16.12% of our consolidated AUM for September 30, 2024. Our consolidated AUM for March 31, 2024 was ₹ 78,959.88 crore, which was reduced to ₹ 66,963.51 crore as on September 30, 2024. The AUM of the Company was impacted by the embargo on the gold loan business; while our Company is working towards resuming the normal operations since the upliftment of the embargo, we cannot assure you that we would not be subject to further regulatory action or penalties on account any deficiencies. Any adverse regulatory action arising from contravention of regulatory requirements may also adversely impact the IIFL Finance brand and hence, our overall business operations.

We also face a number of operational risks in executing our growth strategy. Our Company has experienced growth in our mortgage loans and microfinance loans; our branch network has expanded significantly as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of growth of NPAs, fraud risks and regulatory and legal risks.

Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain 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 client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

Further, a principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our business streams viz. mortgage loans, construction and real estate finance, small & medium enterprise loans, capital market finance, microfinance and home loans. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

9. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

Our Company's liquidity and ongoing profitability are, to a large extent, dependent upon its timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from various sources, including shareholder funding, term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures, cash credit facilities from banks and inter-corporate deposits. Thus, our Company's business growth, liquidity and profitability depends and will continue to depend on its ability to access diversified, relatively stable and low-cost funding sources as well as our Company's financial performance, capital adequacy levels, credit ratings and relationships with lenders. Any adverse developments or changes in applicable laws and regulations which limit our Company's ability to raise funds through issuance of non-convertible debentures can disrupt its sources of funding and as a consequence, could have a material adverse effect on our Company's liquidity and financial condition.

Further, the RBI vide its Master Circular no. DOR.CRE.REC.No.07/21.04.172/2023-24 on Bank Finance to Non-Banking Financial Companies dated April 3, 2023, as amended ("**Master Circular – Bank Finance to NBFC**") relating to financing of NBFCs by banks has prescribed that the exposure of a bank to single NBFC which is predominantly engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50 % or more of their financial assets), shall not exceed 7.5 % of the bank's capital funds (Tier I plus Tier II Capital). However, this exposure ceiling may go up by 5 %, i.e., up to 12.5 % of banks' capital funds if the additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector.

The Master Circular – Bank Finance to NBFC also imposed certain restrictions regarding investments made by banks in securities / instruments issued by NBFCs as follows:

(i) Banks cannot invest in zero coupon bonds issued by NBFCs unless the issuer NBFC builds up sinking fund for all accrued interest and keeps it invested in liquid investments/securities (government bonds); and

(ii) Banks are permitted to invest in Non-Convertible Debentures ("**NCDs**") issued by NBFCs with original or initial maturity for up to a year NBFCs. However, while investing in such instrument's banks should be guided by the extant prudential guidelines in force, ensure that the issuer has disclosed the purpose for which the NCDs are being issued in the disclosure document and such purposes are eligible for bank finance in terms of the Master Circular – Bank Finance to NBFC.

Additionally, pursuant to RBI notification DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023, it was decided to increase the risk weights on exposure of scheduled commercial banks on credit facilities provided to NBFCs by 25% points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%.

These circulars could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations. Our Company's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's 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 Company's cost of funds and make it difficult for our Company 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 Company's liquidity and financial condition

10. We have had negative cash flows in the past including negative cash flows from operating activities in Fiscal 2024 and Fiscal 2023 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 and Fiscal 2023 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	(5,848.00)	(4,940.56)	1,783.73
Net cash (used in)/ generated from investing activities	(1,356.37)	(2,730.45)	(995.79)
Net cash (used in)/ generated from financing activities	6,042.11	5,090.04	2,780.80

For further details, see "*Financial Information*" on page 251. 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, and results of operations.

11. Our contingent liabilities could adversely affect our financial condition.

As per the consolidated financial statements of our Company for the Fiscal 2024, we had certain contingent liabilities not provided for, amounting to ₹ 693.46 crore as of March 31, 2024. The contingent liability amounts disclosed in our Financial Statements represent estimates and assumptions of our management based on advice received. If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition. For more details regarding the contingent liabilities please see the "*Financial Information*" on page 251.

12. Our growth will depend on our continued ability to access funds at competitive rates which are dependent on a number of factors including our ability to maintain our credit ratings.

As we are a "non-deposit accepting" NBFC-ML and do not have access to deposits, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors including our ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, we have long term ratings of 'AA/Stable' from CRISIL (earlier rated as AA/Watch developing) on September 30, 2024, 'IND AA/ Rating Watch with Negative Implications' from India Rating on September 9, 2024, 'AA; Stable' from ICRA (earlier rated as AA; Rating Watch with Negative Implications) on September 24, 2024. Fitch Ratings has put our Company's long-term issuer default rating (IDR) and medium-term note programme at 'B+' with stable outlook on IDR, removed from 'Rating Watch Negative' on November 4, 2024. Further Brickwork Ratings has given our Company a rating of 'BWR AA+/ Stable (earlier rated as BWR AA+/ Rating Watch with Negative Implications)' for our non-convertible debentures, on September 30, 2024. In relation to our short-term debt instruments, we currently have a short-term rating of A1+ from CRISIL and ICRA on September 30, 2024 and September 24, 2024, respectively.

Any downgrade of our credit ratings might increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

Our business depends and will continue to depend on our ability to access diversified funding sources. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event 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. This may adversely impact our business and results of operations.

13. Insurance of relevant assets obtained by our borrowers may not be adequate to protect them against all potential losses, which could indirectly affect our ability to recover our loans to such borrowers. Further, our insurance coverage may not adequately protect us against losses.

Pursuant to our loan agreements, where loans are extended on the basis of a charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of hypothecation or mortgage, or both. In addition, the terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires and earthquakes or theft on the assets charged, primarily as collateral against the loan granted by us. However, our borrowers may not have obtained the required insurance coverage, or may not renew the insurance policies, or the amount of insurance coverage may be less than the replacement cost of the relevant assets and therefore insufficient to cover all financial losses that our borrowers may suffer, or at all, resulting in adverse effect on our business and financial condition.

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or coinsurance requirement, could adversely affect our business, financial condition and results of operations. These circulars could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

14. Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition and results of operations.

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, our Company is also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals, including its registration as an NBFC-ML and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the timeframe anticipated by our Company, or at all. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition and results of operation. In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

15. Our erstwhile statutory auditors have highlighted certain emphasis of matter / remark to their audit report relating to our audited financial statements and unaudited financial results, which may affect our future financial results.

There were no modifications i.e., unmodified opinions were given by our current Joint Statutory Auditors in their limited review reports for the H1 2025 Unaudited Financial Results and by our Erstwhile Statutory Auditors in their audit reports for the Audited Financial Statements. However, certain emphasis of matter ("**EOM**") / remarks were highlighted by our current Joint Statutory Auditors and the Erstwhile Statutory Auditors in their audit reports. Following are the details of EOM / remarks in our audit reports:

Period	**Emphasis of Matter / Remarks**
H1 2025 Unaudited Consolidated Financial Results	In this section, we reproduce hereunder Emphasis of Matter section of our review report of even date issued on the standalone financial results for the quarter and half year ended September 30, 2024, of the Holding Company: We refer to the note 9 that describe lifting of Reserve Bank of India's embargo on the Company to cease and desist from continuing with its gold loan business activities which had resulted in uncertainties over the company's ability to continue its operations as a going concern and the note 10 explaining the rationale for provision of investments in Security Receipts.
H1 2025 Unaudited Standalone Financial Results	We refer to the note 9 that describe lifting of Reserve Bank of India's embargo on the Company to cease and desist from continuing with its gold loan business activities which had resulted in uncertainties over the Company's ability to continue its operations as a going concern and the note 10 explaining the rationale for provision of investments in Security Receipts. Our Conclusion is not modified in respect of these matters.
2024 Audited Consolidated Financial Statements	This section of our report contains and we reproduce hereunder sections of our audit report of even date issued on the standalone financial statements of the Holding Company described under Material Uncertainty Relating to Going Concern and Emphasis of Matter sections, respectively. 1. We draw attention to Note No 48 in the financial statements, which explains that the Reserve Bank of India ("RBI") vide its directive dated March 4, 2024 and in exercise of its powers under Section 45l(1)(b) of the Reserve Bank of India, 1934 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning / securitizing/ selling any of its gold loans. However, the RBI permitted the company to continue to service its existing gold loan portfolio through usual collection and recovery processes.

	The Company has total Loan book of Rs. 17,842 crores and Rs. 14,047 crores as on March 31, 2024, and March 31, 2023 respectively. Out of the above, the Gold Loan stood at Rs. 9,634 crores (54.00%) and Rs. 8,330 crores (59.30%) for each respective financial year. These events or conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the factors as described in the note no 49 in the financial statements, the management is of the view that the going concern basis of accounting is appropriate. 2. We refer to Note No 49 of the accompanying financial statements that explains the directives issued by The Reserve Bank of India ("RBI") dated March 4, 2024. The Note explains the supervisory concerns noted by the RBI in respect of restrictions on loan against gold. These supervisory restrictions are under review by RBI post completion of special audit instituted by the RBI. Our opinion is not modified in respect of this matter.
2024 Audited Standalone Financial Statements	**Material Uncertainty related to Going Concern** We draw attention to Note No 42 in the financial statements, which explains that the Reserve Bank of India ("RBI") vide its directive dated March 4, 2024 and in exercise of its powers under Section 45l(1)(b) of the Reserve Bank of India Act, 1934 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning / securitizing/ selling any of its gold loans. However, the RBI permitted the company to continue to service its existing gold loan portfolio through usual collection and recovery processes. The Company has total Loan book of Rs. 17,842 crores and Rs. 14,047 crores as on March 31, 2024 and March 31, 2023 respectively. Out of the above, the Gold Loan stood at Rs. 9,634 crores (54.00%) and Rs. 8,330 crores (59.30%) for each respective financial year. These events or conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the factors as described in the note no 43 in the financial statements, the management is of the view that the going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter. **Emphasis of matter** We refer to Note No 42 of the accompanying financial statements that explains the directives issued by The Reserve Bank of India ("RBI") dated March 4, 2024. The Note explains the supervisory concerns noted by the RBI in respect of restrictions on loan against gold. These supervisory restrictions are under review by RBI post completion of special audit instituted by the RBI. Our Opinion is not modified in respect of this Emphasis of Matter.
2022 Audited Consolidated Financial Statements	**Emphasis of Matter** We draw attention to Note 8.3 to the Consolidated Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. Our opinion is not modified in respect of this matter.
2022 Audited Standalone Financial Statements	We draw attention to Note 8.3 to the Standalone Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

For further details, in relation to the emphasis of matter, etc. please see "Financial Information" on page 251. There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

16. ***Our Company's business is dependent on relationships established through its branches with its clients. Any events that harm these relationships including closure of branches or the loss of our Company's key personnel or employees may lead to a decline in our Company's revenue and profits. Further, our Company's results of operations could be adversely affected in the event of any disputes with its employees.***

Our Company's business is dependent on the key personnel and employees who directly manage client relationships. Our Company encourages dedicated personnel to service specific clients since our Company believes that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. While no key personnel or employees contribute a significant percentage of the business, the business may suffer materially if a substantial number of them either becomes ineffective or leaves the organisation. As a result, there may be an adverse effect on our Company's business and profits. While our Company believes that our Company maintains good relationships with its employees, there can be no assurance that our Company will not experience future disruptions to its operations due to disputes or other problems with its work force which may adversely affect our Company's business and results of operations.

17. ***As on March 31, 2024, our Company's (on a standalone basis) top 20 borrowers represented7.98% of our total advances. Our inability to maintain relationships with these customers or any payment default by or credit losses of these customers could materially and adversely affect our business, future financial performance and results of operations.***

As on March 31, 2024, our Company's top 20 borrowers on a standalone basis accounted for 7.98% of our total advances on a standalone basis. Our business and results of operations will be adversely affected if we are unable to maintain or further develop relationships with such significant customers. There can be no assurance that we will be able to maintain the historic levels of business from such significant customers. Further, in the event we lose any such significant customer, we cannot assure that we will be able to replace them, which could have a material adverse effect on our results of operations. Our business and results of operations depend upon the timely repayment of the interest and principal from our significant customers. We cannot assure you that we will not experience delays in servicing of the loan advanced or that we will be able to recover the interest and the principal amount of the loan. Any such delay or default will adversely affect our income from operations and consequently, our profitability. In case we are unable to recover the full amount of principal and interest or any part of thereof, and the collateral is not sufficient to recover the full amount, our financial condition may be adversely affected.

18. ***The value of our collateral may decrease or we may experience delays in enforcing our collateral when borrowers default on their obligations to us which may result in failure to recover the expected value of collateral security exposing us to a potential loss.***

As on September 30, 2024, 67.74% of our Company's loans, on a consolidated basis, to its customers is secured by collateral. Changes in asset prices may cause the value of our collateral to decline, and we may not be able to realize the full value of our collateral as a result of delays in bankruptcy and foreclosure proceedings, delays in the creation of security interests, defects or deficiencies in the perfection of collateral (including due to inability to obtain approvals that may be required from various persons, agencies or authorities), fraudulent transfers by borrowers and other factors, including depreciation in the value of the collateral and illiquid market for disposal of and volatility in the market prices for the collateral, current legislative provisions or changes thereto and past or future judicial pronouncements. Foreclosure on collateral consisting of property can be undertaken directly by lenders by fulfilling certain procedures and requirements (unless challenged in courts of law) or otherwise by a written petition to an Indian court or tribunal. An application, when made (or a legal challenge to the foreclosure undertaken directly), may be subject to delays or administrative requirements that may result in, or be accompanied by, a decrease in the value of collateral. These delays can last for several days and might lead to deterioration in the physical condition or market value of the collateral.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, our Company may not be able to recover the full value of the collateral for the loans provided by it within the expected timeframe or at all. Further, legal proceedings may have to be initiated by our Company in order to recover overdue payments on loans and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our Company's cash flow.

The value of the security provided by the borrowers to our Company may be subject to a reduction in value on account of various reasons. While our Company's customers may provide alternative security to cover the shortfall, the realisable value of the security for the loans provided by our Company in the event of a liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of the outstanding credit obligations by our Company's customers may expose it to losses. A failure or delay to recover the loan value from sale of collateral security could expose our Company to potential losses. Any such losses could adversely affect our Company's financial condition and results of operations. Furthermore, the process of litigation to enforce our Company's legal rights against defaulting customers in India is generally a slow and potentially expensive process.

Similarly, in case of capital market finance, the value of collateral may be extremely volatile and in default scenario might not yield results same as per book value. A failure to recover the expected value of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations.

Further, the security for our MSME loans are usually movable assets, making it difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such collaterals at prices sufficient to cover the amounts under default. In addition, there may be delays associated with seizure and disposal of such collaterals, including litigations and court proceedings which is generally a slow and potentially expensive process in India. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

19. ***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 dated April 16, 2021, in respect of trades executed as a stock broker towards facilitation of alleged manipulation of price of block deal in the shares of Alkem Laboratories Limited, 360 One WAM Limited (*formerly IIFL Wealth Management Limited*), has opted for a settlement and has paid ₹ 3.12 crore towards settlement fees. 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.

20. Any increase in the levels of non-performing assets ("NPA") on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations

Various factors, including a rise in unemployment, prolonged recessionary conditions, our regulators' assessment and review of our loan portfolio, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and global competition, could cause an increase in the level of our non-performing assets and have a material adverse impact on the quality of our loan portfolio. Consistent with the growth of our branch network and our product portfolio, we expect an increase in our loan assets. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the gross value of NPAs on a consolidated basis was ₹ 1,046.70 crore, ₹ 1,181.43 crore, ₹ 738.14 crore and ₹ 1,074.29 crore, respectively which is 2.35%, 2.32%, 1.84% and 3.15%, respectively, of our loan book. Further as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the NPAs on gold loans portfolio on a consolidated basis was ₹ 127.78 crore, ₹ 368.70 crore, ₹ 66.68 crore, and ₹67.76 crore respectively and provision coverage ratio was 25.97%, 34.61%, 17.42% and 20.76%. As of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the gross value of NPAs on a standalone basis was ₹ 406.76 crore, ₹ 653.24 crore, ₹ 181.33 crore and ₹ 366.45 crore, respectively which is 2.93%, 3.66%, 1.29% and 2.90%, respectively, of our loan book. Further as of September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the NPAs on gold loans portfolio on a standalone basis was ₹ 127.78 crore, ₹ 368.70 crore, ₹ 66.68 crore and ₹ 67.76 crore respectively and provision coverage ratio was 25.97%, 34.61%, 17.42% and 20.76%.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation (or change in accounting standards) requires us to increase our provisions, our results of operation and financials may get adversely affected including our ability to raise additional capital and debt funds at favourable terms. Further, if our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. 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.

21. We may be unable to realize the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We follow internal risk management guidelines in relation to portfolio monitoring which, inter alia, include a periodic assessment of loan to security value on the basis of conservative market price levels and ageing analysis, amongst others. However, we may not be able to realize the full value of the collateral as a result of the following (among other factors):

1. delays in bankruptcy and foreclosure proceedings;
2. defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
3. destruction / material damage to the underlying property;
4. fraud by borrowers;
5. errors in assessing the value of the collateral;
6. illiquid market for the sale of the collateral; and
7. applicable legislative provisions or changes thereto and past or future judicial pronouncements;

As a result of any of the foregoing factors, we may not be able to realize the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

22. A failure or inadequacy in our Company's information technology and telecommunication systems or its inability to adapt to rapid technological changes may adversely affect its business, results of operation and financial condition.

Our Company's ability to operate and remain competitive depends in part on its ability to maintain and upgrade its information technology systems and infrastructure on a timely and cost-effective basis, including its ability to process a large number of transactions on a daily basis. Our Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's financial, accounting or other data processing systems and management information systems or its corporate website may fail to operate adequately or become disabled as a result of events that may be beyond its control, including a disruption of electrical or communications services. RBI has in its past inspection reports, highlighted certain deficiencies in our IT systems such as the inadequacy of IT systems to record information related to auction processes, non-maintenance of complete information related to jewellery being auctioned. Further, the information available to and received by our Company's management through its 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 its operations. If any of these systems are disabled or if there are other shortcomings or failures in our Company's internal processes or systems, it may disrupt our Company's business or impact its operational efficiencies and render it liable to regulatory intervention or damage to its reputation. The occurrence of any such events may adversely affect our Company's business, results of operations and financial condition.

Our Company is dependent on various external vendors for the implementation of certain elements of its operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking and back-up support for disaster recovery. Our Company is, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our Company's external vendors or service providers could materially and adversely affect its business, results of operations and cash flows.

In addition, the future success of our Company's business will depend in part on its ability to respond to technological advances and to emerging financing industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that our Company will successfully implement new technologies effectively or adapt its technology and systems to meet customer requirements or emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its financial condition could be adversely affected. Any technical failures associated with its information technology systems or network infrastructure, including those caused by power failures and other unauthorised tampering, may cause interruptions or delays in our Company's ability to provide services to its customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

23. Any non-compliance with mandatory Anti-Money Laundering and Know Your Customer policies could expose us to additional liability and harm our business and reputation.

In accordance with the requirements applicable to us, we are mandated to comply with rules and regulations under Prevention of Money Laundering Act 2002 ("**PMLA"**), the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and RBI Know Your Client ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our networks for money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. 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. We have not been found in non-compliance of the PMLA in Fiscal 23 and Fiscal 24. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

24. We have significant exposure to the real estate sector through our housing finance and construction & real estate finance businesses and any negative trends affecting this sector could adversely affect our business and result of operations.

In our housing finance business, the primary security for the loans disbursed by our Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by our Company may decline due to adverse market conditions, including an economic downturn or a downward movement in real estate prices. 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 collaterals may diminish which may affect our business and results of operations.

We have significant exposure of 58.33% as of September 30, 2024 and 48.00% as of March 31, 2024 of our AUM to the real estate sector through our housing finance and construction & real estate finance businesses, on a consolidated basis. As of September 30, 2024 on a consolidated basis, we have assets under management aggregating to ₹ 66,963.51 crore, towards mortgage loans which comprises of housing loans of approximately ₹ 29,116.28 crore. Loan against property of ₹ 8,502.02 crore and construction and developer loans (wholesale book) of ₹ 1,439.53 crore. In the event the real estate sector is adversely affected due to any reason whatsoever, the value of our collateral may diminish which may affect our results of operations in the event of a default in repayment by our clients.

As of September 30, 2024, the wholesale book in the mortgage loans comprises 2.15% of our consolidated AUM. The projects primarily comprise residential projects in Mumbai MMR, Delhi NCR, Bengaluru and Pune region.

Failure to recover the expected value of collateral could expose the Issuer to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition. Following the introduction of the SARFAESI Act, we are allowed to enforce on secured property after 60 (sixty) 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 full value of our collateral, due to, among other things, delays on our part in taking action to enforce the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate Regulation and Development Act, 2016 ("**RERA Act**") is expected to have the biggest impact over the long term. After notification of certain provisions of the RERA Act with effect from May 2016, the remaining provisions of the RERA Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the RERA Act including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. While most of the state governments have notified rules in relation to the RERA Act, other states are in the process of doing so.

To ensure compliance with the requirements of the RERA Act, companies in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various companies in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

25. ***Majority of the gold loans we offered were due within one year of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.***

Majority of the gold loans we offered were due within one year of disbursement. The relatively short term nature of our loans means that we are not assured of long term interest income streams compared to businesses that offer loans with longer terms. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The short term nature of our loan products and the potential instability of our interest income could materially and adversely affect our results of operations and financial position.

26. ***Microfinance loans offered by our subsidiary, IIFL Samasta Finance Limited ("Samasta") are unsecured and are susceptible to various operational, credit and political risks which may result in increased levels of NPAs, thereby adversely affecting our business, results of operation and financial condition.***

The focus client segment for our micro-loans is women in rural areas. The clients of Samasta typically have limited sources of income, savings and credit histories and as a result, are usually adversely affected by declining economic conditions. Further, for most of the loans provided by Samasta, clients do not provide any collateral or security for their borrowings as the RBI has mandated that loans given by NBFC-MFIs should be collateral free and should have annual household income up to ₹3,00,000 (RBI vide circular DoR.FIN.REC.95/03.10.038/2021-22 dated March 14, 2022) for the purpose of "*consideration as microfinance loans"*. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. Furthermore, although Samasta uses credit bureau reports to check certain background information such as the total indebtedness of each potential client and their existing repayment/ default history, the information in such reports may be incomplete or unreliable and accordingly the credit risk analysis we carry out on potential clients may be limited. Further, Samasta relies primarily on non-traditional guaranteed mechanisms rather than any tangible assets such as collateral. Most of its loans involve a joint liability mechanism whereby borrowers form an informal joint liability group and provide joint and several guarantees for loans obtained by each member of the group. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if there is irregular participation in group meetings, if inadequate risk management procedures have been employed, or as a result of adverse external factors such as natural calamities. As a result, its clients potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, the microfinance business is susceptible to various political and social risks, including political interference in the working of MFIs at the district, state or national level; adverse publicity or litigation relating to the microfinance sector; public criticism of the microfinance sector; introduction of a stringent regulatory regime; or religious beliefs relating to loans and interest payments, which adversely affect repayment by its clients and may have an adverse effect on our business prospects and future financial performance.

Due to the underlying profile of the clients of Samasta, we may, in the future, experience increased levels of non-performing assets and related provisions and write-offs, which would materially and adversely impact our business and results of operations.

27. ***A rise in the general income level of our customers may adversely affect the demand for our loans.***

The size of our loans portfolios (other than housing loans) is dependent upon the demand for loans in India, which is inversely related to the general income level of our customers. A rise in the general income level in India could make our loans unattractive to some customers due to their having increased disposable income, making them less reliant on loans. Such a shift in income levels could lower our interest income, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

28. We may not be able to appropriately assess the credit worthiness of our customers before extending credit facilities to them. Unavailability of adequate information or inaccurate and/or incomplete information provided by our customers may adversely affect our operations and profitability.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading. In addition, we may not be able to place a reliance on credit bureaus to assess credit worthiness of all our borrowers segment. This may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. As a result, our ability to effectively manage our credit risk may be adversely affected.

Moreover, we have implemented KYC norms and other measures, to prevent money laundering. In the event of ineffectiveness of these norms and systems, our reputation, business and results of operations may be adversely affected.

29. The Bankruptcy Code in India may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016, as amended from time to time ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code 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 Bankruptcy Code 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 a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, 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 66% 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 Bankruptcy Code 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, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GOI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹ 100,000 to ₹ 10,000,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less than

₹ 10,000,000 may impact the recovery of outstanding loans and profitability of our Company.

30. We may face tax related assessments or regulatory actions.

The laws and regulations governing the tax liability of our Company could change in the future and any such changes could adversely affect its business and future financial performance by requiring a restructuring of its activities, which may impact its results of operations. Further, the tax department may impose additional tax liability on our Company upon completion of their assessments of our past tax returns. Our Company cannot assure you that the tax department will not initiate scrutiny, investigation or regulatory action or reopen assessments for previous years. Any adverse finding by the tax department may have a material adverse effect on our Company's reputation, business, operations and financial conditions. For further details, see "*Outstanding Litigations and Default*" on page 323.

31. The financing industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively.

The sector in which we operate is highly competitive and we face significant competition from banks and other NBFCs. Many of our competitors are larger institutions, which may have much larger customer and funding sources, larger branch networks and more capital than we do. Some of our competitors may be more flexible and better-positioned to take advantage of market opportunities. In particular, private banks in India and many of our competitors outside of India may have operational advantages in implementing new technologies and rationalising branches. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

In our housing finance and gold loan business, we face increasing competition from commercial banks and other players in the unorganized sector. Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have also increased our exposure to competition. The demand for housing loans has also increased due to the increase in demand of real estate, stable property prices, higher disposable incomes and increased fiscal incentives for borrowers. The demand for gold loans has also increased due to urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of gold loans as a source of quick access to funds. All of these factors have resulted in the housing finance and gold loan industry, including our Company, facing increased competition from other lenders to the retail housing market, including commercial banks. Unlike commercial banks, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher cost loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks will depend, to some extent, on our ability to raise low-cost sources of funding in the future.

Furthermore, as a result of increased competition in the housing finance and gold loan industry, home loans and gold loans are becoming increasingly standardized and terms such as floating rate interest options for housing loans, lower processing fees, monthly rest periods and no prepayment penalties are becoming increasingly common in India. There can be no assurance 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. Increasing competition may have an adverse effect on our net interest margin and other income, and if we are unable to compete successfully, the origination of new loans will decline and we may not be able to achieve our growth objectives.

32. Our Company has entered into number of related party transactions and may continue to enter into related party transactions, which may involve conflict of interest.

Our Company enters into transactions with the related parties in the ordinary course of business pursuant to the applicable provisions of the Companies Act, 2013. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. While our Company believes that all related party transactions entered into are conducted on an arms' length basis and in the ordinary course of business, there can be no assurance that it could not have achieved more favourable terms if such transactions had not been entered into with related parties. For further details, please see "*Financial Information*" on page 251. Additionally, there can be no assurance that any dispute that may arise between our Company and related parties will be resolved in our Company's favour.

33. We are permitted to use the IIFL trademark , by IIFL Capital Services Limited (formerly known as IIFL Securities Limited) 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 trademark, owned by IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* pursuant to the trademark license agreement 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 for a onetime fee payable to the Licensor, as set out therein, to use the trademark. 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.

34. We may not be able to adequately protect our intellectual property rights.

Our ability to compete effectively depends in part upon protection of our intellectual property rights. On January 12, 2024, we made an application for registration of our logo “ ” and trademark “My Money”, respectively, with the Registrar of Trade Marks, Mumbai under class 36 of the Trade Marks Act. The Trade Marks Registry has examined the captioned trade mark application and has raised objections inter alia under the provisions of Sections 9 and 11 of the Trade Marks Act, 1999. While our Company will file a response against the objections raised once the examination report is served upon us, there can be no assurance that our trademark application will be accepted. Further, there are no assurances that we will be able to register this mark. In the event we are not able to obtain registrations due to any injunctive or other adverse order issued against us by the appellate authorities in respect of the registration of our logo or slogan, we may not be able to avail legal protections under the trade mark or prevent unauthorised use of such trademarks by third parties, and in case the logo or slogan is used or claimed by a third party, our ability to use such logo or slogan may be restricted or lost, which may adversely affect our goodwill or business. For further details, please see “*Our Business*” on page 163.

35. We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.

Our Company’s funding requirements is met through long-term and medium-term funding sources such as bank loans and non-convertible debentures and our short-term funding requirements are met through working capital demand loans, cash credit, commercial paper and other short term loans. Our Company may face potential liquidity risks due to varying periods over which our Company’s assets and liabilities mature. Our Company’s inability to obtain additional credit facilities or renew its existing credit facilities in a timely and cost-effective manner, may lead to gaps and mismatches between its assets and liabilities, which in turn may adversely affect our Company’s liquidity position, and in turn, its operations and financial performance. Our liquidity position may be adversely affected and we may be required to pay higher interest rates in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

The following table describes the standalone ALM of our Company as on March 31, 2024:

(in ₹ crore)

	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**
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	3,151.67	3,397.82	1,829.71	1,712.82	2,434.63	4,162.08	491.36	87.50	17,267.59
Other Advances	174.56	166.41	227.32	410.63	214.73	-	-	(34.40)	1,159.25
Investments	59.77	24.13	-	-	-	13.69	-	5,059.0	5,156.58

	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
								0	
Borrowings (Includes foreign currency borrowings)	273.44	1,012.22	637.90	1,858.94	2,655.39	8,943.38	3,254.16	1,375.48	20,010.90
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

** Net of ECL Provision of ₹* 574.87 *crore*

36. We extend margin funding loans, or loans against shares, to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.

We extend, margin funding loans or loans against shares which are secured by liquid, marketable securities at an appropriate or predetermined margin levels. In the event of a volatile stock market or adverse movements in stock prices, the collateral which secures the loans may decrease significantly in value, which might result in losses which our Company may be unable to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

37. We are exposed to fluctuations in currency exchange and interest rates.

As our functional currency is the Rupee, our operating expenses are denominated primarily in Rupees. However, the Company is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the benchmark plus margin. The Company hedges the interest rate risk arising from the debt with a 'receive floating - pay fixed' interest rate swap. The Company uses cross currency swap contracts and forward exchange contracts to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans.

To the extent that we are unable to match revenue received in our functional currency with liabilities paid in foreign currencies, exchange rate fluctuations in any such currency could have an adverse effect on our profitability. Substantially all of our cash flows are generated in Rupees and, therefore, significant changes in the value of the Rupee relative to the other foreign currencies could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Any amounts spent to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. There is no assurance that we will be able to reduce our foreign currency risk exposure, through the hedging transactions we have already entered into or will enter into, in an effective manner, at reasonable costs, or at all.

38. Third party industry and industry-related statistical data in this Draft Shelf Prospectus may be incomplete, out of date, incorrect or unreliable.

Industry data in this document is derived from Industry report on NBFCs commissioned by and paid for us for such purpose. The Industry report on NBFCs is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the Industry report on NBFCs may be inaccurate, incomplete or unreliable.

Neither we, nor the Lead Managers have independently verified the third party and industry related data obtained from

Industry report on NBFCs and other industry sources referred in this Draft Shelf Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and our industry in this Draft Shelf Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. See "Industry Overview" on page 133.

39. ***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.

40. ***We do not own the premises where our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.***

At present we do not own the premises of any of our branch offices. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may suffer a disruption. We may be unable to locate suitable alternate facilities on favorable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

41. ***We are required to comply with the requirements of certain labour laws which may impose additional costs on us.***

Our employees are required to be registered under the provisions of certain labour laws such as the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972, and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. We are also required to maintain certain records under the provisions of these laws, which add to our costs. If we are subject to penalties under these labour laws or if we do not obtain the requisite approvals, our business, financial condition, cash flows and results of operations may be adversely affected.

42. ***Our results of operations could be adversely affected by any disputes with employees.***

As of September 30, 2024, our Company and our Subsidiaries have a combined workforce of 34,357 employees. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

43. ***We require several licenses and approvals for our business and in the event we are unable to procure or renew them in time or at all, our business may be adversely affected.***

Our Company requires several licenses, approvals and registration in order to undertake its business activities. These registrations include registrations with the RBI as a NBFC-ML. We are also required to maintain licenses under various state Shops and Establishment Acts for some of our offices and branches. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

44. Certain of our Directors and Senior Management Personnels may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

Certain of our Directors 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 and Senior Management Personnels, as applicable, may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, ESOPs, bonuses or other distributions on such Equity Shares. We cannot assure you that our Directors 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 70 and 208, respectively.

45. Our branches are vulnerable to various operational risks, including theft, fraud, burglary and embezzlement by our employees and customers due to high volume of cash and gold jewellery handled by us.

Our business involves carrying out cash and gold jewellery transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by our employees. Storage of cash and pledged gold jewellery as part of our business entails the risk of theft and resulting loss to our reputation and business. The short tenure of the loans advanced by us and our practice of processing loan repayments within short timelines require us to store pledged gold on our premises at all points in time. With regard to all burglaries, we may not be able to recover the entire amount of the loss suffered and may receive only a partial payment of the insurance claim. While we are insured against the risk of burglary arising from our business, such insurance may not be sufficient to fully cover the losses we suffer. Additionally, our cash in transit policies do not cover theft where an employee is involved, unless such involvement is identified within 48 hours of such thefts. Further, the actual recovery of the insured amount from the insurer requires the undertaking of certain procedures, and any delay in recovery could adversely affect our reputation and results of operation.

Pursuant to the same, while we have strengthened our security policies and procedures, we cannot guarantee that theft will not be committed in the future, which could adversely affect our reputation, business and results of operations. Further, we are exposed to the risk of fraud and other misconduct by employees and customers. While we carefully recruit all of our employees and screen all our employees who are responsible for disbursement of gold loans and custody of gold, there have in the past been acts of fraud with respect to gold loans and cash related misappropriation committed by our employees.

46. Our Company has entered into securitisation/assignment agreements to sell certain loans from our outstanding loan portfolio. Our business, financial condition and results of operations could be adversely affected due to some of the restrictions imposed under such agreements or downgrade in the ratings of our securitized debt or if such assignment of loan is held to be unenforceable or due to any change in the regulatory requirements.

As part of our means of raising and/or managing our funds, we assign or securitise the receivables from our loan portfolio to banks and other institutions. Such assignment or securitization transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. As of September 30, 2024 outstanding book value of securitised assets of ₹ Nil crore and assignment of ₹ 3,229.23 crore on a standalone basis. Our Company has sold and assigned a group of similar loans from our outstanding loan portfolio to Banks/financial institutions in return for an upfront fixed consideration. As of September 30, 2024, our outstanding portfolio of securitised loans on a standalone basis, constituted Nil% of standalone AUM. Under such agreements, we have provided credit enhancement through fixed deposits with banks to the purchaser for an amount equal to a percentage of the value of the loans being assigned as per the rating agency to enhance the rating of the pool. If there is any short fall in the scheduled cash flow promised to the investor then credit enhancement will be utilized to that extent.

Further, any change in statutory and/regulatory requirements such as securitisation guidelines issued by RBI in June 2018 in relation to assignments or securitizations by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment or securitization transactions. Any adverse changes in the policy and/or regulations in connection with securitization of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitization market in general and our ability to securitize and/or assign our assets.

47. 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, results of operations and/or cash flows.

48. A decline in our capital adequacy ratio could restrict our future business growth.

Pursuant to the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 vide the circular dated DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 (Updated as on March 21, 2024) all NBFC-ML have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items and Tier I capital of 10%. On a standalone basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 26.26% as of September 30, 2024, with Tier I capital comprising 20.07%, respectively. If 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 continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

49. Our Company may have to comply with stricter regulations and guidelines issued by regulatory authorities in India.

Our Company is regulated principally by and have reporting obligations to the RBI and our subsidiary is regulated by and have reporting obligations to NHB. Our Company is also subject to the corporate, taxation and other laws in effect in India. 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. Moreover, new regulations may be passed that restrict our ability to do business.

Our Company cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. 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 and results of operations may be materially and adversely affected.

50. 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. Any default in compliance with the material covenants could adversely affect our financial condition, and/or our ability to obtain financing in the future.

There are restrictive covenants in the agreements we have entered into with our lenders. 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.

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.

51. We may experience difficulties in expanding our business into new regions and markets in India.

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements 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 geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with customers.

If we plan to expand our geographical footprint, our 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 gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions, results of operations and/or cash flows.

52. 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.

53. We utilize the services of certain third parties for our operations and any deficiency or interruption in their services could adversely affect our business and results of operations.

We rely on third parties, such as direct selling agents, recovery agents, and other service providers to facilitate our business operations. All our third party contracts are subject to outsourcing guidelines issued by RBI and any other regulatory authority from time to time. We are exposed to various risks related to the business of such third parties, including the following: (i) fraud or misconduct, including mis-selling, by such third parties; (ii) operational failure of such third parties systems; (iii) adverse change or termination in our relationship with such third parties; (iv) failures in legal or regulatory compliance, by such third parties; (v) regulatory changes relating to the operations of such third parties; (vi) violation of laws and regulations, including those relating to licensing or registration by such third parties; and (vii) regulatory actions due to improper business practices of such third parties.

Any of the above risks may result in litigation or regulatory action against us, which could have a material adverse effect on our business, reputation, financial condition, cash flows and results of operations. Outsourcing of our certain operations to third-party service providers. Further, there is no assurance that such third-party service providers will comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all. Third-party service providers may breach agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreements because of their own financial difficulties or business priorities, potentially at a time that is costly or otherwise inconvenient for us. In addition, if our third-party service providers fail to operate in compliance with regulations or corporate and societal standards, we could suffer reputational harm by association, which would likely cause a material adverse effect on our business, financial condition, cash flows, results of operations and prospects. We also rely on third parties to provide certain critical IT infrastructure. If the third parties upon which we rely cannot expand system capacity to handle increased demand, or if any of their systems otherwise fail to perform or experience interruptions, malfunctions, disruptions in service, slower response times or delays, then we could incur reputational damage, regulatory sanctions, litigation and loss of trading, any of which could materially adversely affect our business, financial condition, cash flows and results of operations. In addition, we license certain software and technology from third parties. Any premature termination of our license agreements or the loss of the ability to use such software or technology for any reason would have an adverse impact on our business and operations. Rapid changes in our industry or technology may also result in our licensed technologies being recalled or discontinuation of support for outdated products or services. Any deficiencies in the infrastructure used, or processes adopted, by such third parties could have a material adverse effect on our business, results of operations and prospects.

54. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

The amount of future dividend payments by the Issuer, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements the Issuer may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

55. ***We face difficulties and incur additional expenses in operating from rural and semi urban areas, where infrastructural facilities are limited.***

A portion of our operations are conducted in rural and semi urban areas. We face certain difficulties in conducting such operations, such as accessing power facilities, transporting people and goods and maintaining profitability at branches in remote areas. We may also face increased costs in implementing security measures and expanding our advertising presence. We cannot assure that such costs will not increase in the future as we expand our network in rural and semi urban areas.

56. ***Our success largely depends on our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees can be intense. While we have an incentive structure and an ESOP designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

57. 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.

Our Company has devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please see "*Our Business*" on page 163. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. 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 any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

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.

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

58. Certain non-GAAP measures and other statistical information relating to our operations and financial performance have been included in this Draft Shelf Prospectus. These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.

Certain non-GAAP measures and other statistical information relating to our operations and financial performance such as net worth, return on net worth and Net Asset Value per Equity Share have been included in this Draft Shelf Prospectus. Such non-GAAP measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS 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. We compute and disclose such non-GAAP measures and 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. However, such information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS.

59. Our Company is exposed to many operational risks which could materially impact our business and results of operations.

Our Company is exposed to many types of operational risks. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Any failure to mitigate such risks could adversely affect our business and results of operations.

60. Significant fraud, system failure or calamities could adversely impact our business.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Although we take adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees and unauthorized transactions by employees. Although we have been careful in recruiting all our employees, we have in the past been held liable for the fraudulent acts committed by our employees adversely impacting our business. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.

61. Inaccurate appraisal of credit may adversely impact our business

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

62. 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.

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 and financial condition.

63. 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 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 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 and results of operations.

64. 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.

65. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange control laws that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

66. 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.

EXTERNAL RISK FACTORS

67. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write offs, which can adversely affect our earnings.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.

68. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. 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.

69. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk.

70. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon over the course of past few years affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

71. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, 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 and results of operations.

72. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.

There is no assurance that the liberalization policies of the Government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the Government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

73. Financial instability in other countries could disrupt our business.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause 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, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

74. Changing laws, rules and regulations, including taxation laws, may adversely affect our business, results of operations, cash flows and prospects.

Change on the quantum of taxes and duties levied globally, or in the terms of international trade agreements, environmental regulation or other applicable laws may require us to incur additional costs. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the Income-tax Act, 1961 ("**IT Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the domestic company is required to withhold tax on such dividends distributed at the applicable rate.

However, non-resident shareholders may claim benefit of an applicable tax treaty, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of withholding tax pursuant to any corporate action including dividends. Further, the Finance Act, 2023 has introduced various amendments to the IT Act. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

75. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income 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. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India (as applicable to us), which includes a surcharge on the tax and a health and education cess on the tax and the surcharge. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

76. *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.

77. *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.

78. *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.

79. *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 neighboring 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 neighboring 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.

80. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus should be limited accordingly.

81. This Draft Shelf Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.

This Draft Shelf Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited. This Draft Shelf Prospectus includes certain unaudited financial information of our Company for the quarter and six months period ended September 30, 2024, prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting", prescribed specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and in respect of which the Joint Statutory Auditors of our Company have issued their limited review reports dated October 23, 2024 for H1 2025 Unaudited Financial Results. As this financial information has been subject only to limited review as required under Regulations 33 and 52(2) of SEBI Listing Regulations and as described in 46 Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors to the Issue on such financial information for the quarter and six months ended September 30, 2024 should be limited. Further, this Draft Shelf Prospectus includes certain unaudited financial information such as information relating to financial indebtedness as on September 30, 2024 which has not been subjected to limited review by our Joint Statutory Auditors. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Shelf Prospectus.

RISKS RELATING TO THE ISSUE AND NCDS

82. Any downgrading 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 ₹ 5,000 crore by CRISIL vide their rating rationale dated September 30, 2024 read with rating letter dated October 25, 2024 and "[ICRA] AA (Stable)" for an amount of ₹ 5,000 crore by ICRA vide their rating rationale dated September 25, 2024 read with rating letter dated October 29, 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 ICRA are valid as on the date of this Draft Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchanges 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 exchanges 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 Draft Shelf Prospectus. There are no unaccepted ratings and any other ratings other than as specified in this Draft Shelf Prospectus.

83. 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.

84. 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.

85. 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 and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

86. 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 Exchanges 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.

87. 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.

88. 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 Draft 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.

89. 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.

90. 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. 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 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. 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 and 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.

91. The Issuer, being a NBFC 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 NBFC 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.

92. 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 and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

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

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.

94. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, our various financing activities including lending, for repayment of interest and principal of existing borrowing of the company, subject to applicable statutory and/or regulatory requirements. For further details, see "*Issue Related Information*" on page 437. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

95. 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 Draft 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.

96. 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 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 hold.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated under the provisions of the Companies Act, 1956 on October 18, 1995, under the name of Probity Research & Services Private Limited. The status of our Company was changed to a public limited company and our 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 Company 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 Company 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 Company 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 Company 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 Company has obtained a Certificate of Registration dated March 06, 2020 bearing Registration No. N-13.02386 issued by the 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 Company is a NBFC-ML.

For further details in relation to the changes in our name, constitution, registration with the RBI and our Company's main objects, see "*History and Main Objects*" on page 200. For details of the business of our Company, see "*Our Business*" beginning on page 163.

Registration:

CIN: L67100MH1995PLC093797
RBI Registration Number: N-13.02386
PAN: AABCI0745G
Legal Entity Identifier: 335800CZ46UJRS34JR78

Registered Office

IIFL 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
Fax: +91 22 2580 6654
Website: www.iifl.com
Email: csteam@iifl.com

Corporate Office

802, 8th Floor
Hubtown Solaris
N.S. Phadke Marg
Vijay Nagar, Andheri East
Mumbai 400069,
Maharashtra, India.
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Website: www.iifl.com
Email: csteam@iifl.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 200.

Registrar of Companies, Maharashtra at Mumbai

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

Liability of the members of the Company - Limited by shares

Chief Financial Officer

Kapish Jain
IIFL Finance Limited
802, 8th Floor, Hubtown Solaris
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 400069,
Maharashtra, India.
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
E-mail: kapish.jain@iifl.com

Company Secretary and Compliance Officer

Samrat Sanyal
IIFL Finance Limited
802, 8th Floor, Hubtown Solaris
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 400069,
Maharashtra, India.
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: csteam@iifl.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: iiflfinance.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

Nuvama Wealth Management Limited
801 – 804, Wing A, Building No 3 Inspire BKC,
G Block, Bandra Kurla Complex, Bandra East,
Mumbai – 400 051
Tel : +91 22 4009 4400
Email: iifl.ncd@nuvama.com
Investor Grievance Email: customerservice.mb@nuvama.com
Website: www.nuvama.com
Contact person: Saili Dave
Compliance Officer: Bhavana Kapadia
SEBI Registration Number: INM000013004
CIN: L67110MH1993PLC344634

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: iifl.ncd2024@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

Vardhman Trusteeship Private Limited**
The Capital, A Wing, 412A
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel: +91 22 4264 8335/ 4014 0832
E-mail: corporate@vardhmantrustee.com
Website: www.vardhmantrustee.com
Contact Person: Rushabh Desai
Compliance Officer: Rushabh Desai
SEBI Registration No: IND000000611
CIN: U65993WB2010PTC152401

Vardhman Trusteeship Private Limited under regulation 8 of SEBI NCS Regulations, by its letter dated October 23, 2024 has given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as "Trustees**"). A copy of letter from Vardhman Trusteeship Private Limited conveying their consent to act as Trustees for the Debenture holders and for its name to be included in this Draft 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 437.

Registrar to the Issue

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli
Mumbai 400 083, Maharashtra, India
Tel: +91 810 811 4949
Fax: +91 22 4918 6060
Email: iiflfinance.ncd2024@linkintime.co.in
Investor Grievance mail: iiflfinance.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 November 4, 2024 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft 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 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.

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

Consortium members to the Issue

As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.

Bankers to the Issue

Public Issue Account Bank

As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.

Sponsor Bank

As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.

Refund Bank

As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.

Banker to the Company

HDFC Bank Limited
Zenith House, 2nd floor,
Opposite Mahalaxmi Race Course, Mahalaxmi,
Mumbai - 400034
Tel: 022 39750529
Email: akshay.agarwal@hdfcbank.com
Contact Person: Akshay Agarwal
Website: www.hdfcbank.com
CIN: L65920MH1994PLC080618

Joint Statutory Auditors

Joint Statutory Auditors' Name	**Sharp & Tannan Associates**	**G. M. Kapadia & Co.**
Address	87, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021.	1007, Raheja Chambers 213, Nariman Point, Mumbai – 400 021.
Telephone Number	+91 22 6153 7500, 2202 2224/8857	+91 22 6611 6611
Website	www.sharpandtannan.com	www.gmkco.com
Firm Registration Number	109983W	104767W
E-mail	mumbai.office@sharpandtannan.com	pointmumbai@gmkco.com
Peer Review Certificate Number	14153	016710
Contact Person	Parthiv Desai	Atul Shah
Membership No.	042624	039569

Sharp & Tannan Associates, Chartered Accountants was appointed as the statutory auditor of our Company on July 31, 2023 at the Annual General Meeting of the shareholders dated July 31, 2023 of the Company. G. M. Kapadia & Co., Chartered Accountants was appointed as the statutory auditor of our Company on September 30, 2024 at the September 30, 2024 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 363.

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

ICRA Limited
Electric Mansion, 3rd Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025
Tel: +91 22 61143406
Fax: +91 22 24331390
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L. Shivakumar

Website: www.crisilratings.com
Contact Person: Ajit Velonie
Designation of Contact Person: Senior Director
SEBI Registration No: INCRA0011999
CIN: U67100MH2019PLC326247

Compliance Officer: Dharmesh Ved
SEBI Registration No: IN/CRA/008/15
CIN: L74999DL19991PLC042749

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 ₹ 5,000 crore by CRISIL vide their rating rationale dated September 30, 2024 read with rating letter dated October 25, 2024 and "[ICRA] AA (Stable)" for an amount of ₹ 5,000 crore by ICRA vide their rating rationale dated September 25, 2024 read with rating letter dated October 29, 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 ICRA are valid as on the date of this Draft Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchanges 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 exchanges 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 Draft Shelf Prospectus.

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

Disclaimer Statement of CRISIL

A rating by CRISIL Ratings reflects CRISIL Ratings' 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. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. 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. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/users/transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

Disclaimer Statement of ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

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 ADVOCATES SINCE 1911

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 NCS Master Circular. This fund has been created under the SEBI NCS 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 and Nuvama	Trust
2.	Structuring of various issuance options with relative components and formalities etc.	Trust and Nuvama	Trust
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	Trust and Nuvama	Trust
4.	Drafting and approval of statutory advertisement.	Trust and Nuvama	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 and Nuvama	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 and Nuvama	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 and Nuvama	Trust
8.	Preparation of road show presentation, FAQs.	Trust, Nuvama and IIFL Capital	IIFL Capital
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, Nuvama and IIFL Capital	Trust and Nuvama
10.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation.	Trust, Nuvama and IIFL Capital	Trust and Nuvama
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, Nuvama and IIFL Capital	Trust and Nuvama
12.	Coordination with the Stock Exchanges for use of the bidding software	Trust and Nuvama	Trust
13.	Coordination for security creation by way of execution of Debenture Trust Deed	Trust and Nuvama	Nuvama
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 and Nuvama	Nuvama
15.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs;	Trust and Nuvama	Nuvama

S. No.	Activities	Responsibility#	Coordinator
	• 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.		

 # 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(es), 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 NCS 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 Exchanges 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 NCS 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 Exchanges 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 115.

Issue Programme*

Issue Opens on	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.
Issue Closes on	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.
Pay in Date	As specified in the relevant Tranche Prospectus(es) 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(es). 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(es) 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 exchanges 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 Exchanges. 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(es) 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 Exchanges. 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 NCS 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 in accordance with SEBI NCS Regulations and SEBI NCS Master Circular. For further details please section titled ‘Issue Related Information’ on page 437.

CAPITAL STRUCTURE

Details of share capital

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 (except for securities premium)
Authorised Share Capital	
2,35,52,50,000 equity shares of ₹ 2 each	4,71,05,00,000
50,00,00,000 Preference Shares of ₹10 each	5,00,00,00,000
Total Authorised Share Capital	9,71,05,00,000
Issued, Subscribed and Paid-Up Share Capital	
42,42,42,217 equity shares of ₹ 2 each	84,84,84,434
TOTAL	84,84,84,434
Securities Premium Account	31,55,33,00,159

Notes:

1. *The Authorised capital of the Company was changed pursuant to the Composite Scheme of Arrangement as approved by the Shareholders at their meeting held on December 12, 2018 and by Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated March 7, 2019. The Composite Scheme of Arrangement with respect to merger of India Infoline Finance Limited with the Company was effected on March 30, 2020. The revised Authorised Share Capital stood at ₹ 9,710,500,000 comprising of 2,355,250,000 Equity Shares of ₹ 2 each and 500,000,000 preference shares of ₹ 10 each.*
2. *There will be no change in the capital structure due to the issue and allotment of the NCDs.*
3. *None of the equity shares held by the Promoters or Directors of our Company are either pledged or encumbered.*

1. **Details of change in the authorised share capital of our Company, for the last three financial years and the current financial year, is set out below:**

   Nil

2. **Share capital history of our Company for the preceding three financial years and the current financial year, as on the date of this Draft Shelf Prospectus:**

   a. **Equity Share capital history of our Company for the last three financial years and the current financial year is set out below:**

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
May 20, 2021	4,860	2	61.48	Cash	Allotment upon exercise of the ESOPs	378,845,536	757,691,072	18,40,18,52,236
May 20, 2021	21,780	2	82.02	Cash	Allotment upon exercise of the ESOPs	378,867,316	757,734,632	18,40,35,95,072
May 20, 2021	86,935	2	106.67	Cash	Allotment upon exercise of the ESOPs	378,954,251	757,908,502	18,41,26,94,558
May 20, 2021	19,954	2	177.04	Cash	Allotment upon exercise of the ESOPs	378,974,205	757,948,410	18,41,61,87,306

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
May 20, 2021	385	2	182.22	Cash	Allotment upon exercise of the ESOPs	378,974,590	757,949,180	18,41,62,56,691
July 15, 2021	21,454	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,89,96,044	75,79,92,088	18,41,75,32,775
July 15, 2021	21,655	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,90,17,699	75,80,35,398	18,41,92,65,608
July 15, 2021	2,400	2	82.73	Cash	Allotment upon exercise of the ESOPs	37,90,20,099	75,80,40,198	18,41,94,59,360
July 15, 2021	53,000	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,90,73,099	75,81,46,198	18,42,50,06,870
July 15, 2021	4,361	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,90,77,460	75,81,54,920	18,42,57,70,220
July 15, 2021	314	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,90,77,774	75,81,55,548	18,42,58,26,809
September 15, 2021	63,780	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,91,41,554	75,82,83,108	18,42,96,20,443
September 15, 2021	24,810	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,91,66,364	75,83,32,728	18,43,16,05,739
September 15, 2021	200	2	82.73	Cash	Allotment upon exercise of the ESOPs	37,91,66,564	75,83,33,128	18,43,16,21,885
September 15, 2021	66,190	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,92,32,754	75,84,65,508	18,43,85,49,993
September 15, 2021	19,603	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,92,52,357	75,85,04,714	18,44,19,81,302
September 15, 2021	142	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,92,52,499	75,85,04,998	18,44,20,06,893
November 11, 2021	2,015	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,92,54,514	75,85,09,028	18,44,21,68,133
November 11, 2021	40,700	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,92,95,214	75,85,90,428	18,44,64,28,202
November 11, 2021	10,464	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,93,05,678	75,86,11,356	18,44,82,59,821
November 11, 2021	50	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,93,05,728	75,86,11,456	18,44,82,68,832

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
January 6, 2022	6,005	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,93,11,733	75,86,23,466	18,44,86,26,009
January 6, 2022	14,120	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,93,25,853	75,86,51,706	18,44,97,55,892
January 6, 2022	76,848	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,94,02,701	75,88,05,402	18,45,77,99,572
January 6, 2022	83,397	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,94,86,098	75,89,72,196	18,47,23,97,383
January 6, 2022	709	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,94,86,807	75,89,73,614	18,47,25,25,159
March 10, 2022	9,072	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,94,95,879	75,89,91,758	18,47,30,64,761
March 10, 2022	8,080	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,95,03,959	75,90,07,918	18,47,37,11,323
March 10, 2022	59,760	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,95,63,719	75,91,27,438	18,47,99,66,402
March 10, 2022	34,384	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,95,98,103	75,91,96,206	18,48,59,84,977
March 10, 2022	608	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,95,98,711	75,91,97,422	18,48,60,94,551
May 27, 2022	52,675	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,96,51,386	75,93,02,772	18,48,92,27,660
May 27, 2022	7,380	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,96,58,766	75,93,17,532	18,48,98,18,208
May 27, 2022	35,450	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,96,94,216	75,93,88,432	18,49,35,28,759
May 27, 2022	44,116	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,97,38,332	75,94,76,664	18,50,12,50,824
May 27, 2022	1,318	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,97,39,650	75,94,79,300	18,50,14,88,354
July 28, 2022	6,407	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,97,46,057	75,94,92,114	18,50,20,01,042
July 28, 2022	500	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,97,46,557	75,94,93,114	18,50,20,53,377

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
July 28, 2022	15,846	2	177.04	Cash	Allotment upon exercise of the ESOPs	379,762,403	759,524,806	18,50,48,27,061
July 28, 2022	1,196	2	182.22	Cash	Allotment upon exercise of the ESOPs	379,763,599	759,527,198	18,50,50,42,604
October 08, 2022	9,152	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,97,72,751	75,95,45,502	18,50,57,74,947
October 08, 2022	51,670	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,98,24,421	75,96,48,842	18,51,11,83,246
October 08, 2022	41,169	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,98,65,590	75,97,31,180	18,51,83,89,468
October 08, 2022	567	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,98,66,157	75,97,32,314	18,51,84,91,652
October 08, 2022	5,554	2	252.00	Cash	Allotment upon exercise of the ESOPs	37,98,71,711	75,97,43,422	18,51,98,80,152
November 24, 2022	4,064	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,98,75,775	75,97,51,550	18,52,01,21,879
November 24, 2022	5,420	2	82.02	Cash	Allotment upon exercise of the ESOPs	37,98,81,195	75,97,62,390	18,52,05,55,587
November 24, 2022	28,350	2	106.67	Cash	Allotment upon exercise of the ESOPs	37,99,09,545	75,98,19,090	18,52,35,22,982
November 24, 2022	15,000	2	126.64	Cash	Allotment upon exercise of the ESOPs	37,99,24,545	75,98,49,090	18,52,53,92,582
November 24, 2022	19,300	2	177.04	Cash	Allotment upon exercise of the ESOPs	37,99,43,845	75,98,87,690	18,52,87,70,854
November 24, 2022	689	2	182.22	Cash	Allotment upon exercise of the ESOPs	37,99,44,534	75,98,89,068	18,52,88,95,025
November 24, 2022	1,757	2	252.00	Cash	Allotment upon exercise of the ESOPs	37,99,46,291	75,98,92,582	18,52,93,34,275
January 18, 2023	9,990	2	61.48	Cash	Allotment upon exercise of the ESOPs	37,99,56,281	75,99,12,562	18,52,99,28,481
January 18, 2023	65,013	2	82.02	Cash	Allotment upon exercise of the ESOPs	38,00,21,294	76,00,42,588	18,53,51,30,821
January 18, 2023	53,490	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,00,74,784	76,01,49,568	18,54,07,29,619

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
January 18, 2023	167,792	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,02,42,576	76,04,85,152	18,57,00,99,931
January 18, 2023	1,196	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,02,43,772	76,04,87,544	18,57,03,15,474
January18, 2023	4,567	2	252.00	Cash	Allotment upon exercise of the ESOPs	38,02,48,339	76,04,96,678	18,57,14,57,224
January 18, 2023	100	2	271.40	Cash	Allotment upon exercise of the ESOPs	38,02,48,439	76,04,96,878	18,57,14,84,164
March 17, 2023	21,500	2	82.02	Cash	Allotment upon exercise of the ESOPs	38,02,69,939	76,05,39,878	18,57,32,04,594
March 17, 2023	80,855	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,03,50,794	76,07,01,588	18,58,16,67,687
March 17, 2023	76,492	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,04,27,286	76,08,54,572	18,59,50,56,847
March 17, 2023	2,028	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,04,29,314	76,08,58,628	18,59,54,22,333
March 17, 2023	1,075	2	252	Cash	Allotment upon exercise of the ESOPs	38,04,30,389	76,08,60,778	18,59,56,91,083
May 27, 2023	47,650	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,04,78,039	76,09,56,078	18,60,06,78,608
May 27, 2023	80,580	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,05,58,619	76,11,17,238	18,61,47,83,331
May 27, 2023	632	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,05,59,251	76,11,18,502	18,61,48,97,230
May 27, 2023	10,039	2	252	Cash	Allotment upon exercise of the ESOPs	38,05,69,290	76,11,38,580	18,61,74,06,980
May 27, 2023	150	2	271.4	Cash	Allotment upon exercise of the ESOPs	38,05,69,440	76,11,38,880	18,61,74,47,390
July 27, 2023	37,695	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,06,07,135	76,12,14,270	18,62,13,92,926
July 27, 2023	1,54,217	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,07,61,352	76,15,22,704	18,64,83,87,070
July 27, 2023	90,305	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,08,51,657	76,17,03,314	18,66,46,61,837

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
July 27, 2023	11,934	2	252	Cash	Allotment upon exercise of the ESOPs	38,08,63,591	76,17,27,182	18,66,76,45,337
July 27, 2023	250	2	271.4	Cash	Allotment upon exercise of the ESOPs	38,08,63,841	76,17,27,682	18,66,77,12,687
September 18, 2023	10,250	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,08,74,091	76,17,48,182	18,66,87,85,554
September 18, 2023	2,28,314	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,11,02,405	76,22,04,810	18,70,87,49,637
September 18, 2023	3,725	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,11,06,130	76,22,12,260	18,70,94,20,956
September 18, 2023	22,699	2	252	Cash	Allotment upon exercise of the ESOPs	38,11,28,829	76,22,57,658	18,71,50,95,706
September 18, 2023	2,000	2	271.4	Cash	Allotment upon exercise of the ESOPs	38,11,30,829	76,22,61,658	18,71,56,34,506
September 18, 2023	4,500	2	341.65	Cash	Allotment upon exercise of the ESOPs	38,11,35,329	76,22,70,658	18,71,71,62,931
November 10, 2023	12,000	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,11,47,329	76,22,94,658	18,71,84,18,971
November 10, 2023	65,000	2	142.22	Cash	Allotment upon exercise of the ESOPs	38,12,12,329	76,24,24,658	18,72,75,33,271
November 10, 2023	69,947	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,12,82,276	76,25,64,552	18,73,97,76,794
November 10, 2023	5,688	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,12,87,964	76,25,75,928	18,74,08,01,886
November 10, 2023	33,351	2	252	Cash	Allotment upon exercise of the ESOPs	38,13,21,315	76,26,42,630	18,74,91,39,636
January 09, 2024	31,800	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,13,53,115	76,27,06,230	18,75,24,68,142
January 09, 2024	91,638	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,14,44,753	76,28,89,506	18,76,85,08,457
January 09, 2024	2,662	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,14,47,415	76,28,94,830	18,76,89,88,203
January 09, 2024	12,000	2	218.71	Cash	Allotment upon exercise of the ESOPs	38,14,59,415	76,29,18,830	18,77,15,88,723

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
January 09, 2024	22,690	2	252	Cash	Allotment upon exercise of the ESOPs	38,14,82,105	76,29,64,210	18,77,72,61,223
January 09, 2024	1,000	2	341.65	Cash	Allotment upon exercise of the ESOPs	38,14,83,105	76,29,66,210	18,77,76,00,873
March 06, 2024	22,600	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,15,05,705	763,011,410	18,77,99,66,415
March 06, 2024	37,165	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,15,42,870	763,085,740	18,78,64,71,776
March 06, 2024	954	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,15,43,824	763,087,648	18,78,66,43,706
March 06, 2024	4,611	2	252	Cash	Allotment upon exercise of the ESOPs	38,15,48,435	76,30,96,870	18,78,77,96,456
April 30, 2024	20,340	2	106.67	Cash	Allotment upon exercise of the ESOPs	38,15,68,775	76,31,37,550	18,78,99,25,444
April 30, 2024	32,895	2	177.04	Cash	Allotment upon exercise of the ESOPs	38,16,01,670	76,32,03,340	18,79,56,83,385
April 30, 2024	810	2	182.22	Cash	Allotment upon exercise of the ESOPs	38,16,02,480	76,32,04,960	18,79,58,29,363
April 30, 2024	5,838	2	252	Cash	Allotment upon exercise of the ESOPs	38,16,08,318	76,32,16,636	18,79,72,88,863
April 30, 2024	500	2	341.65	Cash	Allotment upon exercise of the ESOPs	38,16,08,818	76,32,17,636	18,79,74,58,688
May 17, 2024	4,23,94,270	2	300	Cash	Right Issue	42,40,03,088	84,80,06,176	31,43,09,51,148
June 20, 2024	1,27,465	2	142.22	Cash	Allotment upon exercise of the ESOPs	42,41,30,553	84,82,61,106	31,44,88,24,290
June 20, 2024	19,976	2	177.04	Cash	Allotment upon exercise of the ESOPs	42,41,50,529	84,83,01,058	31,45,23,20,889
June 20, 2024	883	2	182.22	Cash	Allotment upon exercise of the ESOPs	42,41,51,412	84,83,02,824	31,45,24,80,024
June 20, 2024	34,559	2	252	Cash	Allotment upon exercise of the ESOPs	42,41,85,971	84,83,71,942	31,46,11,19,774
June 20, 2024	5,000	2	350	Cash	Allotment upon exercise of the ESOPs	42,41,90,971	84,83,81,942	31,46,28,59,774

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative No. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
August 14, 2024	33,724	2	177.04	Cash	Allotment upon exercise of the ESOPs	42,42,24,695	84,84,49,390	31,46,87,62,823
August 14, 2024	840	2	182.22	Cash	Allotment upon exercise of the ESOPs	42,42,25,535	84,84,51,070	31,46,89,14,207
August 14, 2024	16,682	2	252	Cash	Allotment upon exercise of the ESOPs	42,42,42,217	84,84,84,434	31,47,30,84,707
October 11, 2024	1,40,000	2	142.22	Cash	Allotment upon exercise of the ESOPs	42,43,82,217	84,87,64,434	31,49,27,15,507
October 11, 2024	36,676	2	177.04	Cash	Allotment upon exercise of the ESOPs	42,44,18,893	84,88,37,786	31,49,91,35,275
October 11, 2024	1,323	2	182.22	Cash	Allotment upon exercise of the ESOPs	42,44,20,216	84,88,40,432	31,49,93,73,706
October 11, 2024	33,104	2	252	Cash	Allotment upon exercise of the ESOPs	42,44,53,320	84,89,06,640	31,50,76,49,706
October 11, 2024	2,000	2	341.65	Cash	Allotment upon exercise of the ESOPs	42,44,55,320	84,89,10,640	31,50,83,29,006

The securities premium account as on March 31, 2021 was ₹ 1,840.16 crore which was inclusive of transfer to/from reserves and securities premium adjustment on issuance of equity shares. The cumulative securities premium after necessary adjustments (on account of transfer to/from reserves, stamp duty charges on account of demerger and securities premium adjustment on issuance of equity shares) as on October 11, 2024 is ₹ 3,158.85 crore.

b. Details of Preference Share Capital

The Company has not issued/ allotted any Preference Shares for the preceding three financial years and current financial year as on the date of this Draft Shelf Prospectus.

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

Sr. No.	Name of the Equity Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	FIH Mauritius Investments Ltd	6,45,52,521	6,45,52,521	15.22
2.	Nirmal Bhanwarlal Jain	5,34,40,570	5,34,40,570	12.60
3.	Smallcap World Fund, Inc	2,70,04,301	2,70,04,301	6.37
4.	Parajia Bharat Himatlal	1,98,44,587	1,98,44,587	4.68
5.	Bank Muscat India Fund	1,39,98,024	1,39,98,024	3.30
6.	Madhu N Jain	1,35,22,764	1,35,22,764	3.19
7.	R Venkataraman	1,23,01,441	1,23,01,441	2.90
8.	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,11,11,111	1,11,11,111	2.62
9.	Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	1,00,00,000	1,00,00,000	2.36

Sr. No.	Name of the Equity Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
10.	WF Asian Reconnaissance Fund Limited	92,48,492	92,48,492	2.18

4. List of top ten holders of non-convertible securities of our Company (on cumulative basis) as on September 30, 2024, are as follows:

Sr	Name of Holder	Category of holder	Face Value of NCDs (₹ per unit)	Amount (₹ in crore)	%
1	Life Insurance Corporation of India	Insurance Company	10,00,000	1,050.00	23.00%
2	HWIC Asia Fund Class E Shares	FPI	1,00,000	500.00	10.95%
3	CDC Group Plc	Body Corporate	1,00,00,000	325.00	7.12%
4	HVPNL Employees Pension Fund Trust	Trust	1,00,00,000	180.00	3.94%
5	Visakhapatnam Steel Project Employees Provident Fund Trust	Trust	1,00,00,000 1,000	80.00 30.00	2.41%
6	RBL Bank Limited	Bank	10,00,000	100.00	2.19%
7	ICICI Prudential Life Insurance Company Limited	Insurance Company	1,000	100.00	2.19%
8	HVPNL Employees Provident Fund Trust	Trust	10,00,000 1,00,00,000	50.00 30.00	1.75%
9	Indian Oil Corporation Ltd (Refineries Division) Employees Provident Fund	Trust	10,00,000	65.00	1.42%
10	HPGCL Employees Pension Fund Trust	Trust	1,00,00,000	62.00	1.36%

5. **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	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	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)**
(A)	Promoter & Promoter Group	8	10,56,74,667	0	0	10,56,74,667	24.91	10,56,74,667	0	10,56,74,667	24.91	0	24.91	0	0	0	0	10,56,74,667
(B)	Public	1,58,125	31,85,67,550	0	0	31,85,67,550	75.09	31,85,67,550	0	31,85,67,550	75.09	0	75.09	0	0	0	0	31,83,27,520
(C)	Non Promoter - Non Public	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
(C2)	Shares Held By Employee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Trust																	
	Total	1,58,133	42,42,42,217	0	0	42,42,42,217	100.00	42,42,42,217	0	42,42,42,217	100.00	0	100.00	0	0	0	0	42,40,02,187

Note: No shares are pledged or encumbered by the promoters.

Table II - Statement showing shareholding pattern of the Promoters 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		6	100598108	0	0	100598108	23.71	100598108	0	100598108	23.71	0	23.71	0.00	0.00	0	0.00	100598108

	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								
	Family																		
	Nirmal Bhanwarlal Jain	Promoter	1	53440570	0	0	53440570	12.60	53440570	0	53440570	12.60	0	12.60	0.00	0.00	0	0.00	53440570
	Madhu N Jain	Promoter Group	1	13522764	0	0	13522764	3.19	13522764	0	13522764	3.19	0	3.19	0.00	0.00	0	0.00	13522764
	Venkataraman Rajamani	Promoter	1	12301441	0	0	12301441	2.90	12301441	0	12301441	2.90	0	2.90	0.00	0.00	0	0.00	12301441
	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as	Promoter Group	1	11111111	0	0	11111111	2.62	11111111	0	11111111	2.62	0	2.62	0.00	0.00	0	0.00	11111111

	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 (in her capacity as Trustee of Kalki Family Private Trust)	Promoter Group	1	10000000	0	0	10000000	2.36	10000000	0	10000000	2.36	0	2.36	0.00	0.00	0	0.00	10000000
	Aditi Athavankar	Promoter Grou	1	222222	0	0	222222	0.05	222222	0	222222	0.05	0	0.05	0.00	0.00	0	0.00	222222

	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								
		p																	
(b)	Central Government / State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
(d)	Any Other (Specify)		2	5076559	0	0	5076559	1.20	5076559	0	5076559	1.20	0	1.20	0.00	0.00	0	0.00	5076559
	Persons Acting In Concert		2	5076559	0	0	5076559	1.20	5076559	0	5076559	1.20	0	1.20	0.00	0.00	0	0.00	5076559
	Ardent Impex Pvt Ltd	Promoter Grou	1	3632115	0	0	3632115	0.86	3632115	0	3632115	0.86	0	0.86	0.00	0.00	0	0.00	3632115

	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								
		p																	
	Orpheus Trading Pvt Ltd	Promoter Group	1	1444444	0	0	1444444	0.34	1444444	0	1444444	0.34	0	0.34	0.00	0.00	0	0.00	1444444
	Sub Total (A)(1)		8	105674667	0	0	105674667	24.91	105674667	0	105674667	24.91	0	24.91	0.00	0.00	0	0.00	105674667
2	Foreign																		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0

	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	No of Voting Rights: Class eg: y	No of Voting Rights: 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)	Number of Locked in shares: As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered: No. (a)	Number of Shares pledged or otherwise encumbered: As a % of total Shares held (b)	Number of equity shares held in dematerialised form
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
(e)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
	Sub Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0.00	0.00	0	0.00	0
	Total Shareholding Of Promoter And Promoter Group (A)=(A)(1)+(A)		8	105674667	0	0	105674667	24.91	105674667	0	105674667	24.91	0	24.91	0.00	0.00	0	0.00	105674667

	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								
	(2)																		

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	10444036	0	0	10444036	2.46	10444036	0	10444036	2.46	0	2.46	0	0	N/A	N/A	10444036	0	0	0

	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)**
	HSBC Small Cap Fund	1	5320882	0	0	5320882	1.25	5320882	0	5320882	1.25	0	1.25	0	0	N/A	N/A	5320882	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(c)	Alternate Investment Funds	20	8597948	0	0	8597948	2.03	8597948	0	8597948	2.03	0	2.03	0	0	N/A	N/A	8597948	0	0	0
(d)	Banks	2	307	0	0	307	0.00	307	0	307	0.00	0	0.00	0	0	N/A	N/A	307	0	0	0

	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)
(e)	Insurance Companies	3	7449912	0	0	7449912	1.76	7449912	0	7449912	1.76	0	1.76	0	0	N/A	N/A	7449912	0	0	0
	Sbi Life Insurance Co. Ltd	1	6822222	0	0	6822222	1.61	6822222		6822222	1.61		1.61	0	0	N/A	N/A	6822222	0	0	0
(f)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(G	Asset Reconstruction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
)	Companies																				
(h)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(i)	NBFCs registered with RBI	2	1500	0	0	1500	0.00	1500	0	1500	0.00	0	0.00	0	0	N/A	N/A	1500	0	0	0
(j)	Other Financial Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(k	Any Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/	N/A	0	0	0	0

	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)
)	(Specify)															A					
	Sub Total (B)(1)	46	26493703	0	0	26493703	6.24	26493703	0	26493703	6.24	0	6.24	0	0	N/A	N/A	26493703	0	0	0
2	Institutions (Foreign)																				
(a)	Foreign Direct Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(b)	Foreign Venture	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
	Capital Investors																				
(c)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(d)	Foreign Portfolio Investors Category I	130	106542848	0	0	106542848	25.11	106542848	0	106542848	25.11	0	25.11	0	0	N/A	N/A	106542848	0	0	0
	Smallcap World	1	27004301	0	0	27004301	6.37	27004301	0	27004301	6.37	0	6.37	0	0	N/A	N/A	27004301	0	0	0

	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 Voting Rights – Class eg: X	Number of Voting Rights held in each class of securities – No of Voting Rights – Class eg: y	Number of Voting Rights held in each class of securities – No of Voting Rights – Total	Number of Voting Rights held in each class of securities – 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)	Number of Locked in shares – As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered – No. (a)	Number of Shares pledged or otherwise encumbered – As a % of total Shares held (b)	Number of equity shares held in dematerialised form	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)
	Fund, Inc																				
	Wf Asian Reconnaissance Fund Limited	1	9248492	0	0	9248492	2.18	9248492	0	9248492	2.18	0	2.18	0	0	N/A	N/A	9248492	0	0	0
	Theleme India Master Fund Limited	1	6513280	0	0	6513280	1.54	6513280	0	6513280	1.54	0	1.54	0	0	N/A	N/A	6513280	0	0	0
	Nomura India	1	58132	0	0	581327	1.37	581327	0	58132	1.37	0	1.37	0	0	N/	N/A	58132	0	0	0

	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)
	Investment Fund Mother Fund		74			4		4		74						A		74			
	Vanguard Total International Stock Index Fund	1	4550487	0	0	4550487	1.07	4550487	0	4550487	1.07	0	1.07	0	0	N/A	N/A	4550487	0	0	0
	Morgan Stanley Asia (Singapore	1	4452759	0	0	4452759	1.05	4452759	0	4452759	1.05	0	1.05	0	0	N/A	N/A	4452759	0	0	0

	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)
	) Pte. - Odi																				
(e)	Foreign Portfolio Investors Category II	13	19221750	0	0	19221750	4.53	19221750	0	19221750	4.53	0	4.53	0	0	N/A	N/A	19221750	0	0	0
	Bank Muscat India Fund	1	13998024	0	0	13998024	3.30	13998024	0	13998024	3.30	0	3.30	0	0	N/A	N/A	13998024	0	0	0
(f)	Overseas Depositories (holding DRs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
	(balancing figure)																				
(g)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
	Sub Total (B)(2)	143	125764598	0	0	125764598	29.64	125764598	0	125764598	29.64	0	29.64	0	0	N/A	N/A	125764598	0	0	0
3	Central Government/ State Government(s)																				

	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(b)	State Government / Governor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(c)	Shareholding by Companies or Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
	Corporate where Central / State Government is a promoter																				
	Sub Total (B)(3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
4	Non-Institutions																				

	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)	Associate companies / Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0
(b)	Directors and their relatives (excluding Independent Directors and nominee	4	3351680	0	0	3351680	0.79	3351680	0	3351680	0.79	0	0.79	0	0	N/A	N/A	3351680	0	0	0

	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)
	Directors)																				
(c)	Key Managerial Personnel	1	5000	0	0	5000	0.00	5000	0	5000	0.00	0	0.00	0	0	N/A	N/A	5000	0	0	0
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
	'Promoter and Promoter Group' category)																				
(e)	Trusts where any person belonging to 'Promoter and Promoter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
	Group' category is 'trustee', 'beneficiar', or 'author of the trust''																				
(f)	Investor Education and Protection Fund (IEPF)	1	53190	0	0	53190	0.01	53190	0	53190	0.01	0	0.01	0	0	N/A	N/A	53190	0	0	0

	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.	151028	43203171	0	0	43203171	10.18	43203171	0	43203171	10.18	0	10.18	0	0	N/A	N/A	43188141	0	0	0
(h)	ii. Resident individual holding nominal share capital in	49	14923698	0	0	14923698	3.52	14923698	0	14923698	3.52	0	3.52	0	0	N/A	N/A	14923698	0	0	0

	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)
	excess of ₹ 2 lakhs.																				
(i)	Non Resident Indians (NRIs)	2896	23987407	0	0	23987407	5.65	23987407	0	23987407	5.65	0	5.65	0	0	N/A	N/A	23762407	0	0	0
	Parajia Bharat Himatlal	1	19844587	0	0	19844587	4.68	19844587	0	19844587	4.68	0	4.68	0	0	N/A	N/A	19844587	0	0	0
(j)	Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0	0	0	0

	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)
(k)	Foreign Companies	1	64552521	0	0	64552521	15.22	64552521	0	64552521	15.22	0	15.22	0	0	N/A	N/A	64552521	0	0	0
	FIH Mauritius Investments Ltd	1	64552521	0	0	64552521	15.22	64552521	0	64552521	15.22	0	15.22	0	0	N/A	N/A	64552521	0	0	0
(l)	Bodies Corporate	1391	12152812	0	0	12152812	2.86	12152812	0	12152812	2.86	0	2.86	0	0	N/A	N/A	12152812	0	0	0
(m)	Any Other (Specify)	2565	4079770	0	0	4079770	0.96	4079770	0	4079770	0.96	0	0.96	0	0	N/A	N/A	4079770	0	0	0

	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)
	Trusts	6	92627	0	0	92627	0.02	92627	0	92627	0.02	0	0.02	0	0	N/A	N/A	92627	0	0	0
	Escrow Account	1	249	0	0	249	0.00	249	0	249	0.00	0	0.00	0	0	N/A	N/A	249	0	0	0
	Body Corp-Ltd Liability Partnership	169	1842853	0	0	1842853	0.43	1842853	0	1842853	0.43	0	0.43	0	0	N/A	N/A	1842853	0	0	0
	Hindu Undivided Family	2377	2140884	0	0	2140884	0.50	2140884	0	2140884	0.50	0	0.50	0	0	N/A	N/A	2140884	0	0	0

	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)
	Clearing Member	12	3157	0	0	3157	0.00	3157	0	3157	0.00	0	0.00	0	0	N/A	N/A	3157	0	0	0
	Sub Total (B)(4)	157936	166309249	0	0	166309249	39.20	166309249	0	166309249	39.20	0	39.20	0	0	N/A	N/A	166069219	0	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)	**158125**	**318567550**	**0**	**0**	**318567550**	**75.09**	**318567550**	**0**	**318567550**	**75.09**	**0**	**75.09**	**0**	**0**	**N/A**	**N/A**	**318327520**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non Promoter- Non 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
								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)	**(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	N/A	N/A	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	N/A	N/A	0
	Total Non-Promoter- Non Public Shareholding (C)=	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**	**N/A**	**0**

	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
								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								
	(C)(1)+(C)(2)																	

Table V - Statement showing details of Significant Beneficial Owner (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 and Madhu Jain collectively	Indian	Orpheus Trading Private Limited	Indian	0.34	-	-	No	No	March 14, 2005
2	Nirmal 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	Indian	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu	Indian	2.62	-	-	No	No	January 18, 2018

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	
	Trust		Family Private Trust)							

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

6. **Debt - Equity ratio**

Debt to Equity Ratio of our Company as on September 30, 2024:

(₹ in crore)

Particulars	Consolidated		Standalone	
	Pre issue as at September 30, 2024	Post issue*	Pre issue as at September 30, 2024	Post issue*
Debt				
Debt Securities & Subordinated Liabilities	10,847.33	13,347.33	4,758.02	7,258.02
Borrowings (Other than Debt Securities)	28,692.33	28,692.33	10,437.71	10,437.71
Total Debt (A)	39,539.66	42,039.66	15,195.73	17,695.73
Equity				
Equity and Share Capital	84.85	84.85	84.85	84.85
Other Equity	12,018.74	12,018.74	6,343.10	6,343.10
Non Controlling Interest	1,534.44	1,534.44	NA	NA
Total Equity (B)	13,638.03	13,638.03	6,427.95	6,427.95
Debt / Equity (A/ B)	2.90	3.08	2.36	2.75

**Total debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 2,500 crore from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Debt to Equity Ratio of our Company as on March 31, 2024:

(₹ in crore)

Particulars	Consolidated		Standalone	
	Pre issue as at March 31, 2024	Post issue*	Pre issue as at March 31, 2024	Post issue*
Debt				
Debt Securities & Subordinated Liabilities	12,576.00	15,076.00	6,044.23	8,544.23
Borrowings (Other than Debt Securities)	34,123.20	34,123.20	13,966.67	13,966.67
Total Debt (A)	46,699.20	49,199.20	20,010.90	22,510.90
Equity				
Equity and Share Capital	76.31	76.31	76.31	76.31
Other Equity	10,560.68	10,560.68	5,519.60	5,519.60
Non Controlling Interest	1,419.45	1,419.45	NA	NA
Total Equity (B)	12,056.44	12,056.44	5,595.91	5,595.91
Debt / Equity (A/ B)	3.87	4.08	3.58	4.02

**Total debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 2,500 crore from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

7. **Details of change in the Promoters holding in our Company during the last financial year beyond 26% (as prescribed by RBI)**

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

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

No securities of our Company and Subsidiaries have been purchased or sold by our Promoters, Promoter Group, our Directors and/or their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus.

9. **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 ₹ 2 each	Number of Stock Options Outstanding	% of total Equity Shares of our Company
1.	Nirmal Bhanwarlal Jain Designation: Managing Director DIN: 00010535	5,34,40,570	-	12.60
2.	R Venkataraman Designation: Joint Managing Director DIN: 00011919	1,23,01,441	-	2.90
3.	Arun Kumar Purwar Designation: Chairman & Non-Executive Director DIN: 00026383	1,06,390	-	0.03

10. **Details of Promoters' shareholding in our Company's Subsidiaries**

Nil

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

Nil

12. **Details of Promoters' shareholding in our Joint Venture and Associate Companies**

As on date of this Draft Shelf Prospectus, there are no Associates and Joint Ventures of our Company.

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

Nil

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

Nil

15. **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.**

For details regarding 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, see the Chapter "*Financial Indebtedness*" on page 253 of this Draft Shelf Prospectus.

16. **Equity Shares held by our Promoters are pledged or encumbered otherwise.**

Nil

17. **Details of Employee Stock option Scheme**

Company has in force the following ESOS Schemes with an object of rewarding employee:

IIFL Finance Employees Stock Option Plan 2007 ("ESOS Scheme 2007").

Pursuant to the approval given by the shareholders at their extraordinary general meeting held on October 20, 2007, our Company has implemented "Employee Stock Option Scheme, 2007" ("ESOS Scheme 2007"). The Company received In Principal approval for the said scheme from National Stock Exchange of India Limited and BSE Limited on November 14, 2008 and November 25, 2008 respectively. The maximum number of options that can be granted under the Schemes shall be 7,500,000. There are no outstanding employee stock options as on March 31, 2023.

*IIFL Finance Employee Stock Option Plan 2008 ("**ESOS Scheme 2008**")*

Pursuant to the approval given by the shareholders at their extraordinary general meeting held on December 15, 2008, our Company has implemented "Employee Stock Option Scheme, 2008" ("**ESOS Scheme 2008**"). The Company received In Principal approval for the said scheme from National Stock Exchange of India Limited and BSE Limited on December 17, 2009 and December 18, 2009 respectively. The maximum number of options that can be granted under the Schemes shall be 50,000,000.

The stock options cancelled or lapsed without being exercised will be available for allocation to other Employees, subject to compliance with the provisions of the Applicable Laws.

The Nomination & Remuneration Committee shall in accordance with ESOS Scheme 2008 and Applicable Laws approve the grant of stock options from time to time to the Employees under various series and approve terms of grant of stock options under each series, including vesting schedule for each series of grants.

The Nomination & Remuneration Committee shall, in accordance with ESOS Scheme 2008 and Applicable Laws, approve the procedure for making a fair and reasonable adjustment in case of a corporate action such as stock split /consolidation, rights issues, bonus issues, merger, de-merger, sale of division and others, to ensure that the stock option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action.

Stock options granted under ESOS Scheme 2008 would vest as per the vesting schedule as determined under each series of grant approved by the Nomination & Remuneration Committee, subject to a minimum period of one year from the date of grant of such stock options. Vesting of stock options would be subject to continued employment of the respective Employee with the Company. Any acceleration in vesting schedule of the stock option will be subject to approval of Nomination & Remuneration Committee.

Please refer below for the details of stock options as on September 30, 2024:

ESOP Plan 2008:

S. No.	Particulars	(No. of Stock Options)
1	Stock options granted	5,92,70,000
2	Stock options vested	5,22,02,878
3	Stock options exercised	4,04,99,998
4	Total number of shares arising out of exercise of Stock options	4,04,99,998
5	Stock options lapsed	1,49,33,394

***IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme** ("**ESOS Scheme 2020**")*

Pursuant to the merger of India Infoline Finance Limited with the Company under the Composite Scheme of Arrangement, the stock option holders of India Infoline Finance Limited were required to be granted 135 stock options by the Company for every 100 stock options held in India Infoline Finance Limited, on terms and conditions similar to the ESOP Scheme of India Infoline Finance Limited. Accordingly, the Board adopted new ESOP scheme named as "*IIFL Finance Limited Employee Stock Option 2020 - Merger Scheme*" and 8,281,111 stock option were granted under the scheme to option holders of India Infoline Finance Limited. The Company received in-principal approval for the said scheme from National Stock Exchange of India Limited and BSE Limited on June 1, 2020 and June 3, 2020 respectively.

The Nomination & Remuneration Committee shall in accordance with ESOS Scheme 2020 and Applicable Laws approve the grant of stock options from time to time to the Employees under various series and approve terms of grant of stock options under each series, including vesting schedule for each series of grants.

The Nomination & Remuneration Committee shall, in accordance with ESOS Scheme 2020 and Applicable Laws, approve the procedure for making a fair and reasonable adjustment in case of a corporate action such as stock split /consolidation, rights issues, bonus issues, merger, de-merger, sale of division and others, to ensure that the stock option holders are compensated appropriately in case of any diminution in the value of their stock options as a result of such corporate action.

Stock options granted under ESOS Scheme 2020 would vest as per the vesting schedule as determined under each series of grant approved by the Nomination & Remuneration Committee, subject to a minimum period of one year from the date of grant of such stock options. Vesting of stock options would be subject to continued employment of the respective Employee with the Company. Any acceleration in vesting schedule of the stock option will be subject to approval of Nomination & Remuneration Committee.

Please refer below for the details of stock options as on September 30, 2024:

ESOP Plan 2020:

S. No.	Particulars	(No. of Stock Options)
1	Stock options granted	82,81,111
2	Stock options vested	44,99,052
3	Stock options exercised	29,55,140
4	Total number of shares arising out of exercise of Stock options	29,55,140
5	Stock options lapsed	38,99,015

OBJECTS OF THE ISSUE

Our Company has filed this Draft Shelf Prospectus for a public issue of secured, rated, listed, redeemable, NCDs for an amount up to ₹ 2,500 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 this Draft Shelf Prospectus and the Shelf Prospectus.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations, SEBI NCS Master Circular 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 crore unless otherwise stated)*
Gross proceeds of the Issue	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Less: Issue related expenses*	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Net proceeds	As specified in the relevant Tranche Prospectus(es) 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 NCS 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 this Issue shall be as specified in the relevant Tranche Prospectus(es).

Purpose for which there is a requirement of funds

As specified in the relevant Tranche Prospectus(es) 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(es), 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 Exchanges. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, shall submit to the stock exchanges, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued 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.

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 Promoters, the Directors, Key Managerial Personnel, Senior Management Personnel or companies promoted by our Promoters 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.

None of the Directors, Promoters, Key Managerial Persons and Senior Management Personnel have any financial or other material interest in the Issue.

The 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 Exchanges.

Variation in terms of contract or objects in this Draft 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 Draft 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(es).

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

Neither our Promoters 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 IIFL FINANCE LIMITED AND ITS DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors,
IIFL Finance Limited
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate,
Thane – 400 604

And

Trust Investment Advisors Private Limited ("Trust')
109/110, Balarama, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 Maharashtra, India

Nuvama Wealth Management Limited ("**Nuvama**")
801-804, Wing A, Building No. 3, Inspire BKC G-Block, Bandra Kurla Complex, Bandra East Mumbai – 400051

IIFL Capital Services Limited (Formerly known as IIFL securities limited)
("IIFL")**
24th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400 013, Maharashtra, India

(Trust, Nuvama and IIFL together with any other lead manager appointed for the Issue, the "**Lead Managers**" or the "**LMs**")

*** As informed to us (Sharp & Tannan Associates and G. M. Kapadia & Co,),* IIFL Capital Services 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 *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.*

Dear Sirs,

Subject: Statement of possible tax benefits available to IIFL FINANCE LIMITED ("Company") and its debenture holders under the Indian tax laws in respect of the Proposed public issue by IIFL Finance Limited (the "Company" or the "Issuer") of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (the "NCDs") for an amount aggregating up to ₹ 2500 crores (the "Shelf Limit", and such offering, the "Issue"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue.

We, **Sharp & Tannan Associates, Chartered Accountants** and **G. M. Kapadia & Co., Chartered Accountants** ("**Joint Statutory Auditors**") have been requested by the management of the Company to certify the attached **Annexure A** statement of possible tax benefits available to the Company and its debenture holders under the Income-tax Act, 1961 ("**the Act**") as amended by The Finance (No. 2) Bill, 2024 read with the Income Tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26 (referred to as "**the Direct Tax Law**") in connection with the proposed Issue, pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended ("**SEBI NCS Regulation**").

Management's Responsibility

The preparation of the enclosed **Annexure A** is the responsibility of the Management of the Company, including the preparation and maintenance of all records supporting its contents. This responsibility includes the designing, implementation and maintaining of internal control relevant to the preparation and presentation of the **Annexure A** and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances

Management of the Company is responsible for preparing the **Annexure A** under Applicable Direct Tax Law in India.

The management is also responsible for ensuring compliance with the requirements of SEBI NCS Regulations and applicable law and regulations for the purpose of furnishing this **Annexure A** and for providing all relevant information to the Lead Manager.

The Management is responsible to intimate and provide complete information to us on timely basis in respect of changes and material developments relating to subject matter of this certificate.

Our Responsibility

At your specific request, we, the joint statutory auditors of the Company, have examined the enclosed Annexure A. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Pursuant to the SEBI NCS Regulations, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible tax benefits available to the Company and the Debenture holders of the Company, under the Direct Tax Laws as of the date of this certificate.

This certificate has been prepared in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ("**ICAI**") and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable. The Guidance Note requires that we comply with the ethical requirement of the Code of Ethics issued by ICAI, as revised from time to time.

We have conducted our verification and issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2019) (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India("**ICAI**").

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the information and documents presented to us. We report that **Annexure A**, prepared by the Company, presents, in all material respects, the possible tax benefits available to the Company and the Debenture holders of the Company, under the Direct Tax Laws as of the date of this certificate.

The benefits discussed in the enclosed **Annexure A** are not exhaustive. We are informed that this statement 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 Direct Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue of non-convertible debentures ("NCDs") by the Company on in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Non-convertible Debentures) Regulations, 2021, as amended and the guidelines and circulars issued thereunder (the "Issue"). We are neither suggesting nor advising the investors to invest in the Issue relying on this statement.

We are informed that the debentures of the Company will be listed on recognised stock exchanges in India. Annexure A has been prepared on that basis.

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

i. The Company or its debenture holders will obtain/continue to obtain these tax benefits in future;

ii. the conditions prescribed for availing the tax benefits have been/would be met with; and

iii. the revenue authorities/courts will concur with the views expressed herein

Restriction of use

We hereby consent to inclusion of the extracts of this certificate in the Draft Shelf Prospectus and/or any other document in relation to the Issue, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

Signed by the Joint Statutory Auditors of the Company

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Place: Mumbai
Date: November 13, 2024
UDIN: 24042624BKFRUK2575

For G. M. Kapadia & Co.
Chartered Accountants
ICAI Firm Reg. No. 104767W
By the hand of

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: November 13, 2024
UDIN: 24039569BKAUYS3940

CC:
Khaitan & Co
One World Centre,
10th and 13th Floor, Tower 1
841, Senapati Bapat Marg,
Mumbai 400 013.

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

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.

Taxability under the IT Act

Section 50AA of the IT Act

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. Common provisions applicable to both Resident and Non-Resident debenture holders:

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 gains are taxable at 30% (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*.

S. No	Scenarios	Provisions
		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 For FY 2024-2025:

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 10,00,000 + 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

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) 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

Particulars	Rate of surcharge applicable
	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 "NBFC Report August 2024" prepared 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 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 23 and 163.

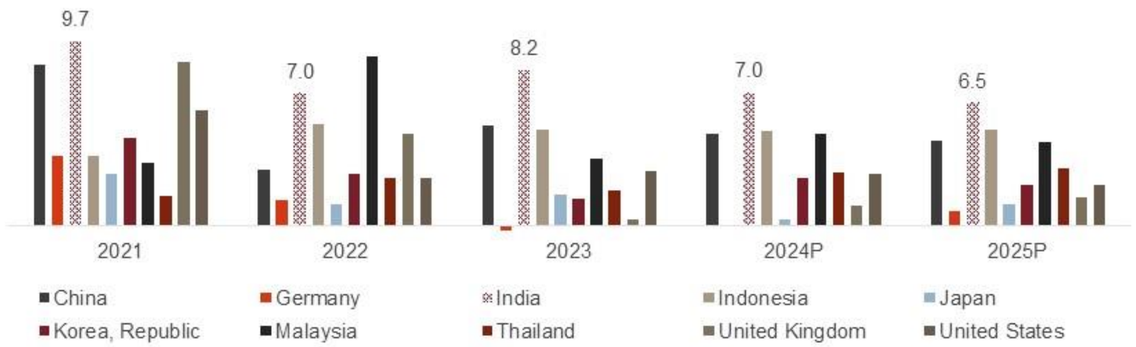
Global economic overview

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.

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.

Per capita GDP increasing

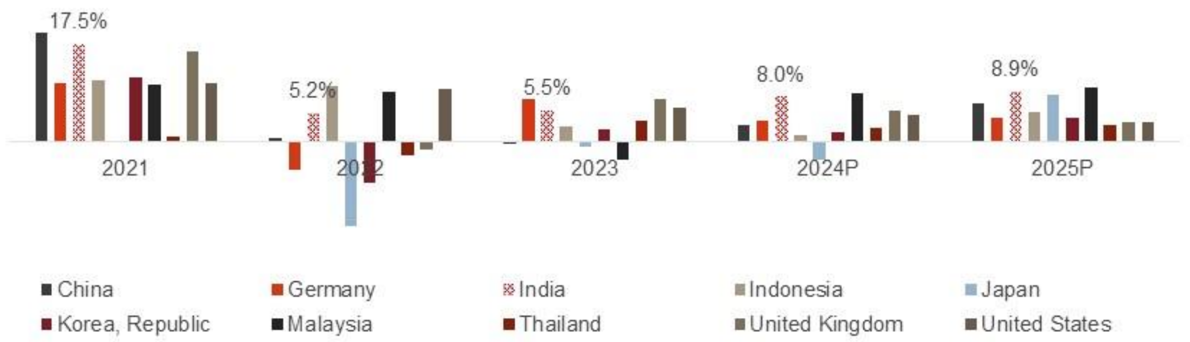
With GDP growth having gained pace, CRISIL MI&A Research forecasts that the per capita income will gradually improve, enabling domestic consumption over the medium term. As per IMF estimates, India’s per capita income (at current prices) is expected to grow annually at ~8% during FY24.

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
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	5.5	4.5	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	7.0	6.8	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 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.

Rise in urbanization

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

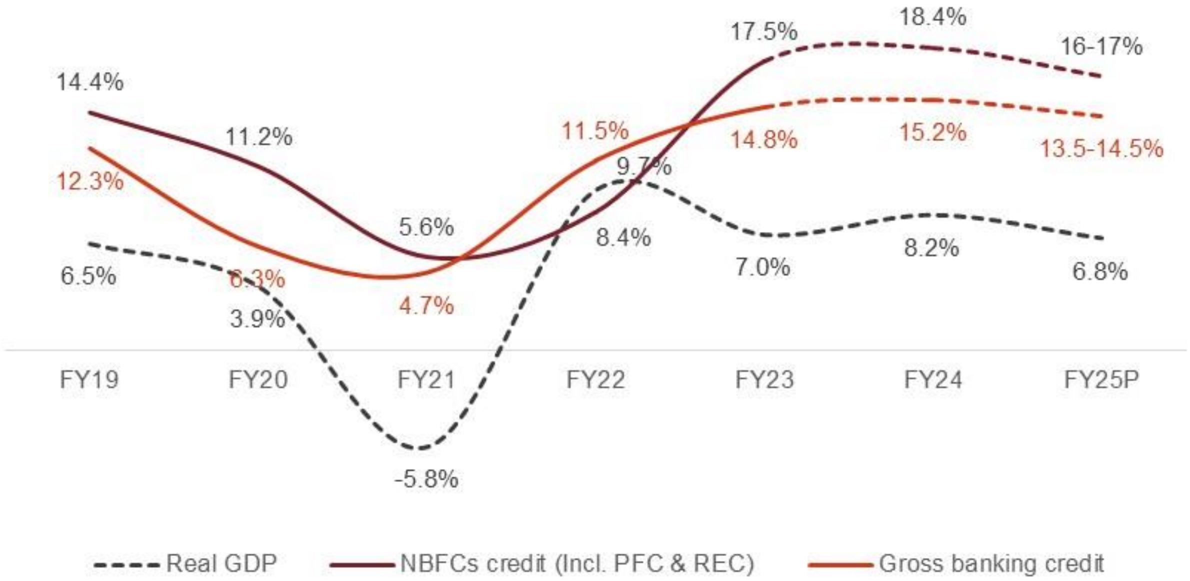
with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.
Overall NBFCs – Review and outlook

NBFC credit growth to remain robust despite macroeconomic and regulatory challenges

Non-banking finance companies' credit grew at a health CGAR of 12% between fiscal 2020 to 2024 with slower growth during fiscal 2021 and 2022 which was on account of pandemic related disruptions.

The growth in fiscal 2023 marked a return to the pre-pandemic trend in credit growth. The credit momentum over the last two fiscals is driven by the key retail segments namely, vehicle loans, personal loans, micro finance loans, housing finance and on wholesale side MSMEs and infrastructure financing.

NBFCs growth momentum to continue with some moderation in short term



P - Projected
Note: Historical credit growth numbers are adjusted for merger of HDFC Ltd with HDFC Bank for comparable credit growth
Source: Reserve Bank of India (RBI), National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research

India's gross domestic product (GDP), which exceeded forecasts, expanding an estimated 8.2% in fiscal 2024, is expected to see some moderation to 6.8% this fiscal. The growth will still be higher than the pre-pandemic decadal average of 6.7%, continuing to position India as the fastest growing major economy.

The Reserve Bank of India has maintained status quo since February 2023, it has been cautious about cutting rates, amid slower cooling of inflation and a strong growth trajectory. The RBI's status quo contrasts with the shift in monetary policy stance of other major global central banks. While the European Central Bank (ECB) and Bank of England (BOE) have initiated a rate cut, the Bank of Japan (BoJ) has raised its policy rate, and the US Federal Reserve (Fed) is likely to cut rates this September.

Inflation remains a key gauge for the RBI's MPC decision, with elevated food prices the biggest hurdle in shifting its stance. Food inflation has been persistently high for over a year now, and the RBI remains cautious of its direct and indirect impact on disinflation process. However, better monsoon and higher kharif sowing vs last year is expected to ease food inflation this fiscal, with the picture becoming clearer by September

CRISIL MI&A Research expects the RBI to begin cutting rates from October at the earliest, lest weather and international commodity prices play spoilsport. Overall, we expect two rate cuts this fiscal.

Performance of NBFCs to remain healthy in fiscal 2025

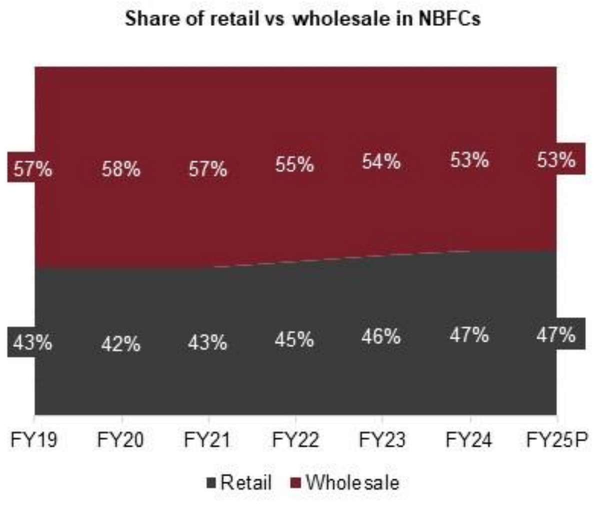
NBFCs' credit grew at 18.4% on-year during fiscal 2024, is expected to sustain the momentum, and rise at 16-17% on-year this fiscal, with vehicle loans, personal loans, housing loans and micro finance loans being the key growth drivers on retail front and on wholesale side, MSMEs leading credit growth followed by infrastructure finance, primarily power finance companies' growth at high double digit growth rates.

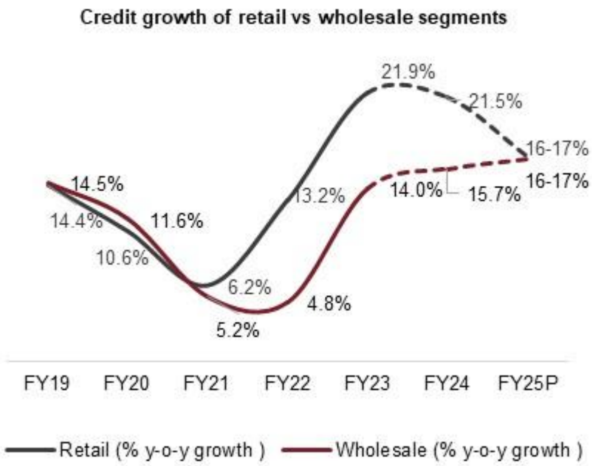
Lending to MSMEs has gained traction over the past three fiscals, with NBFCs increasing focus on unsecured business loans amid higher competition from banks in the traditional segments.
Also, consolidation within certain corporate groups and other corporate activities indicate buoyancy in the NBFC space and expectations of good credit conditions, though a pinch of caution. The entry of a new player in the retail space is expected to intensify competition in the coming fiscals as well.

Asset quality continued to be on a declining trajectory during the fiscal 2024 with gold loans being an expectation. However, it is pertinent to note that some stress in collections was witnessed in unsecured lending segments as such micro finance and personal loans since December 2023. This was also visible from declining collection efficiencies in the securitised pools for MFIs.

The buoyant growth since fiscal 2022 is in sharp contrast to fiscal 2021, when the Covid-19 pandemic brought a sudden halt in economic activity and slowed down demand for credit, impacted by funding challenges. But banks benefitted in this milieu and used their surplus liquidity to gain market share, in terms of credit in a few key segments. In fiscal 2022, the economy began to reopen, and lockdowns were relaxed after the second wave of the pandemic, leading to normalisation of business activities and driving credit growth in most segments. Retail segment resilient amid evolving regulatory landscape; recovery in wholesale lending boosts credit growth.

Wholesale credit recovery and steady retail credit growth provide balanced overall credit momentum in short term





P — projected
Notes:
1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables, and education
2) Wholesale includes MSME, real estate and large corporate, infrastructure, and construction equipment
Source: Industry, CRISIL MI&A Research

Strong credit growth momentum among the retail segment over the last two fiscals has led to increase in share of retail by 100 bps to 47% in fiscal 2024. Going forward, the growth trend is expected to moderate for retail segment on account of caution on unsecured lending and due to visible stress in unsecured book such as micro finance and personal loans where there are higher slippages in stage 1 loans during first quarter of fiscal 2025 primarily due to overleveraging of customers and also impact of elections. The share is expected to remain stable at 47% and 43% for retail and wholesale respectively in fiscal 2025.

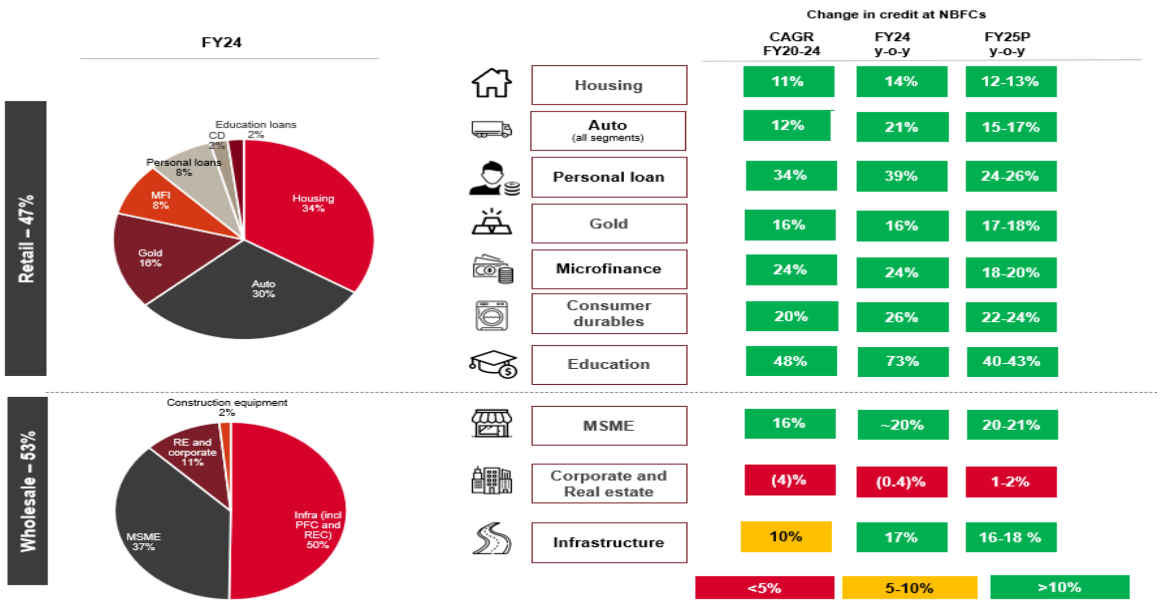
Retail segment has witnessed over 20% credit growth during the previous two fiscals and the growth in now expected to moderate to 16-17% on year in lines with the wholesale credit growth. This was because of normalisation in unsecured segments, which had increased sharply in the past, spurred by the RBI's risk weight circular.

Still, post the NBFC crisis in fiscal 2018, the retail segment had led growth of the NBFC sector, while the wholesale segment posted low single-digit growth between fiscals 2020 and 2022. In fiscal 2023, the retail segment grew a sharp 22% on-year and the wholesale, 14%. Also, while credit growth in the retail segment was broad-based, the MSME segment was the primary growth driver in the wholesale segment, supported by steady growth in infrastructure financing on a high base.

Unsecured credit growth to normalise owing to regulatory efforts, still to trend higher than secured credit

The retail portfolio of NBFCs stood at Rs 20 trillion as of March 2024. Within the space, the share of the unsecured portion expanded from 14% in fiscal 2019 to 27% in fiscal 2024. The RBI circular acted as a catalyst against this backdrop of rapid growth of unsecured lending by NBFCs and banks and its underlying risks. Higher inflation, along with stagnant income, could cramp the borrower's repayment capability. Overleveraging at the borrower's end could also augment asset quality vulnerability. This is further exacerbated in unsecured lending, where there is no recourse to collateral and, hence, the loss given default is high. Therefore, lenders are required to keep higher capital buffers against such exposures as a result of this circular. The impact of the circular was visible with reduced growth in unsecured segment in second half of fiscal 2024 and going ahead CRISIL MI&A Research expects the growth to moderate to 23-24% in fiscal 2025.

Unsecured segments to witness moderation in credit growth for fiscal 2025
P — projected; Source: Company reports, CRISIL MI&A Research



Housing: The credit growth of the overall housing finance sector has peaked at 14% in fiscal 2024. This growth was led by affordable housing finance companies followed by prime housing finance companies. According to CRISIL MI&A

Research, the growth of housing credit is projected to moderate at 12-13% in fiscal 2025, after peaking in fiscal 2024. This moderation is attributed to a slower economic growth rate of 6.8% and the delayed impact of anticipated rate cuts in the second half of fiscal 2025. Further a projected housing demand growth between 9-11%% and capital values increasing by only 4-6%, will also lead to this slowing of credit growth in 2025.
Auto finance: Commercial vehicles financing has the largest share for NBFCs within auto finance. In fiscal 2024, commercial vehicle sales are projected to exceed pre-pandemic levels due to increased government spending and robust demand in sectors like construction and mining. This in turn is estimated to have supported the financers to continue its healthy growth momentum during fiscal 2024. Along with new vehicles, sale of used vehicles is also gathering momentum, which is expected to continue over the medium term.

Gold loan finance: NBFCs' credit growth is estimated to have grown at 16.4% in lines with CAGR of 16% between fiscal 2020-24. The growth was up on a low base of fiscal 2023, where credit growth was at 8% due to intense competition from Banks and asset quality concerns. Going ahead, credit growth is momentum is expected to continue at an industry level with growth projected at 17-18% in fiscal 2025, the key gold finance companies are expected to grow over 20% on year, however, due to regulatory actions on a gold finance company and consequent decline in portfolio will pull down the interest growth during the fiscal.

Microfinance: Overall microfinance industry has grown at a CAGR of 17% between fiscal 2020-24 with NBFC-MFIs growing at the fast pace of 24% CAGR and capturing the market share of banks which witnessed a growth of 12% during the same period. Further, during FY24, NBFC-MFIs witnessed disbursement growth of 6% on-year with disbursements aggregating Rs 1,383 billion as compared to Rs. 1,306 billion during FY23. Collection challenges were primarily due to over leveraging of customers, this was on account of multiple loans obtained by a household. Going ahead, CRISIL MI&A Research estimates that the NBFC-MFIs continued to outpace other lenders with slight moderation in growth at 18-20% during fiscal 2025.

MSMEs: MSME segment has a fundamental link to economic activity and was severely impacted during pandemic fiscals. Post pandemic the sector has grown at a healthy double digit rate supported by healthy corporate India's revenue growth. CRISIL MI&A Research estimates overall MSME credit growth to continue leading under the wholesale segment with momentum in secured loans during fiscal 2025.
Real estate and corporate: The wholesale portfolios of NBFCs/HFCs are systematically being trimmed to bottom out. NBFCs/HFCs are collectively shifting their focus towards the retail business. This has led to a muted growth of -0.4% in fiscal 2024. CRISIL MI&A Research expects wholesale credit to start growing between 1-2% this fiscal, with real estate disbursement expected to pick up for a few NBFCs/HFCs.

Infrastructure (including PFC and REC): The infrastructure book of non-banking financial companies (NBFCs) grew at 16.6% in fiscal 2024 following a growth of 13.4% in fiscal 2023. The growth momentum can be traced to investments in renewable power and a pickup in the transmission and distribution (T&D) sector amid increased power demand. For fiscal 2025, the healthy growth momentum is expected to continue, driven by significant government capex. Additionally, REC has been appointed as the nodal agency to oversee the overall coordination and implementation of the rooftop solarisation project announced in January 2024. Supported by the aforementioned factors, CRISIL MI&A Research expects the NBFC infrastructure book to grow 16-18% in fiscal 2025.

Asset quality to remain range bond for key NBFC segments

Asset quality continued to improve with strong economic activities and better collection efficiency, leading to a reduction in gross non-performing assets (GNPA) in fiscal 2024. This was further helped by write-offs given the comfortable capital buffers maintained by NBFCs.

Asset quality to remain range bond for key NBFC segments

	Segment	GNPA FY23	GNPA FY24	GNPA FY25P
Retail	Housing	1.8%	1.4%	1.3-1.4%
Retail	Auto (all segments)	5.0%	4.5%	4.0-4.5%
Retail	Gold	2.6%	2.8%	2.6-2.7%
Retail	Microfinance	2.9%	2.4%	2.7-2.8%
Wholesale	MSME	3.6%	4%	4-5%
Wholesale	Real estate & corporate	NM	NM	NM
Wholesale	Infrastructure (Incl. PFC REC)	3.6%	2.9%	2.5-2.7%
		<2.5%	2.5-7.5%	>7.5%

Note: P – projected
1) Green: <2.5%, amber: 2.5-7.5%, red: >7.5%
2) Asset quality in real estate and corporate loans is not meaningful due to the addition of contractual moratorium, date for commencement for commercial operations extension, one-time restructuring, and player strategy to reduce the wholesale portfolio
Source: Company reports, CRISIL MI&A Research

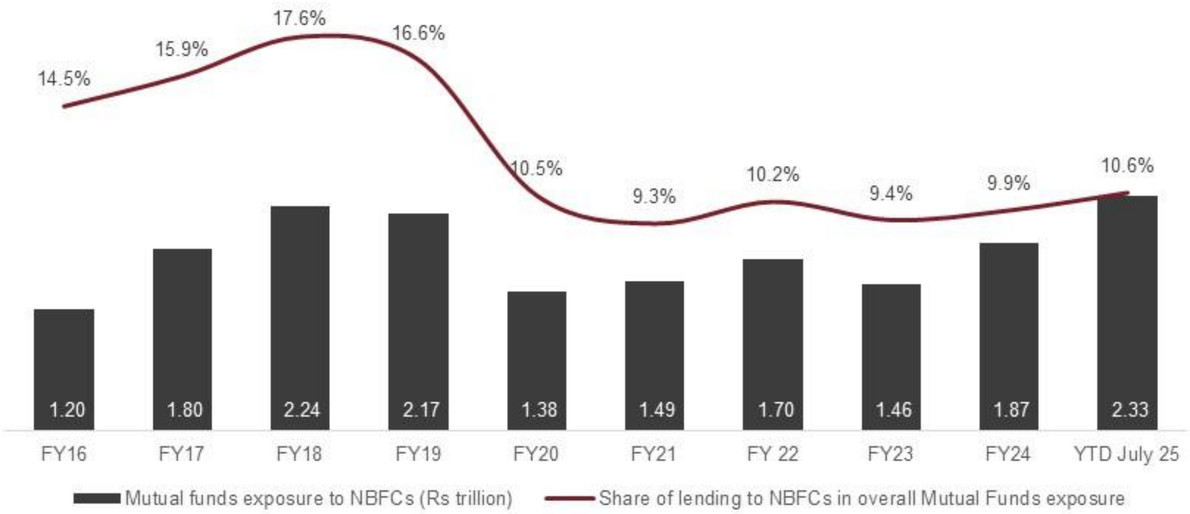
Impact of RBI risk weight circular & hardening of rates led to decline in share of banks' lending to NBFCs

Banks credit exposure to NBFCs increased 16% on-year to Rs 15.5 trillion as of fiscal 2024 from Rs 13.3 trillion as of fiscal 2023. On the other hand, the share of NBFCs in the overall credit exposure declined from 9.7% as of fiscal 2023 to 9.4% as of fiscal 2024 and further to 9.1% as of July 2024. The moderation was driven by a dynamic management of banking liquidity which saw lending rates of the overall banks increase and the added impact of the RBI's risk weight circular.

The weighted average lending rates on outstanding rupee loans for banks increased from 8.72% in April 2022 to 9.89% as of July 2024 (9.91%, if HDFC merger is excluded). Hardening in bank lending rates in relation to other funding avenues such as domestic capital markets and ECBs could lead to further moderation in the share of bank borrowings going forward.

Bank lending to NBFCs has almost growth four times in the past 10 years. More recently, amid increasing interest rates, term loans of banks became the preferred source of borrowing as the rates transmitted to bank lending rates with a lag.

Debt mutual fund investment in NBFCs sees a pickup during current fiscal

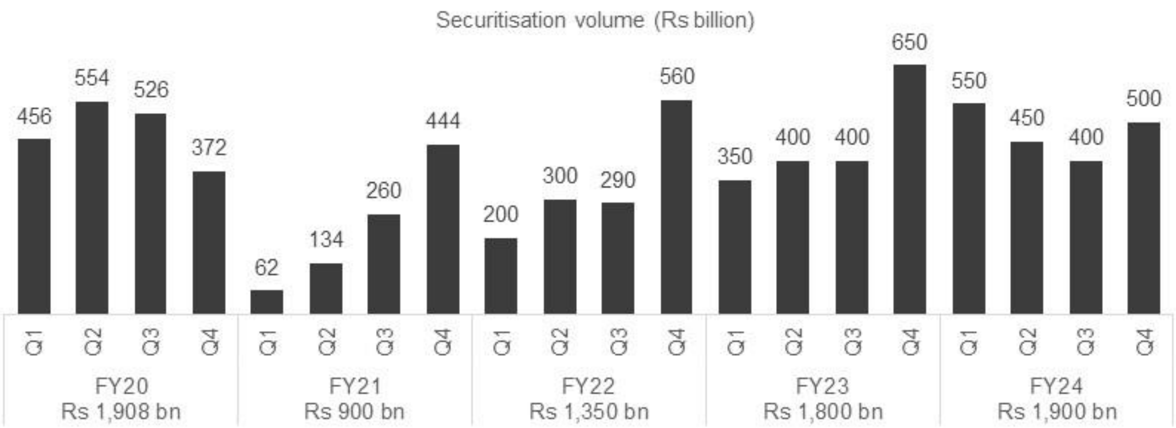


Source: Securities and Exchange Board of India, CRISIL MI&A Research
Note: Exposure refers to debt mutual funds

The IL&FS crisis in fiscal 2019 led to funds becoming extremely cautious towards investing in NBFCs. Exposure declined from ~18% in fiscal 2018 to 10% in fiscal 2022, and this trend continued till fiscal 2023 with lowest share at 9.4% post which investment saw a pickup in both Commercial papers as well as Non-convertible debentures supported by healthy balance sheets of non-banks and improvement asset quality and credit momentum.

The growth trends continued in fiscal 2025 with a increase of over 70 bps during the first four months where in investment in commercial paper stood at Rs. 1.31 trillion and corporate bonds at Rs. 1.02 trillion as of July 2024.

Securitisation volume in fiscal 2024 matches peak of 2020, reaches Rs 1.9 lakh crore



Source: CRISIL Ratings

Housing finance – Review and outlook

Housing loan growth to moderate in fiscal 2025

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 the 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.

Despite the sharp hike in repo rates in fiscal 2023, which was largely reflected in higher interest rates the next fiscal, demand for home loans remained resilient. This was because the Indian economy experienced 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. As a result, lenders' concerns about a potential decline in loan quality were alleviated.

In fiscal 2025, however, CRISIL MI&A Research expects the overall growth to moderate to 14-15% due to slower economic growth rate of 6.8% and the lagged impact of anticipated rate cuts by the Reserve Bank of India (RBI) in the second half of the year.

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 (%)
HFCs/NBFCs	20	6,802	11	14	12-13
Banks	80	27,187	14	16	15-16
Overall	100	32,989	13	15	14-15

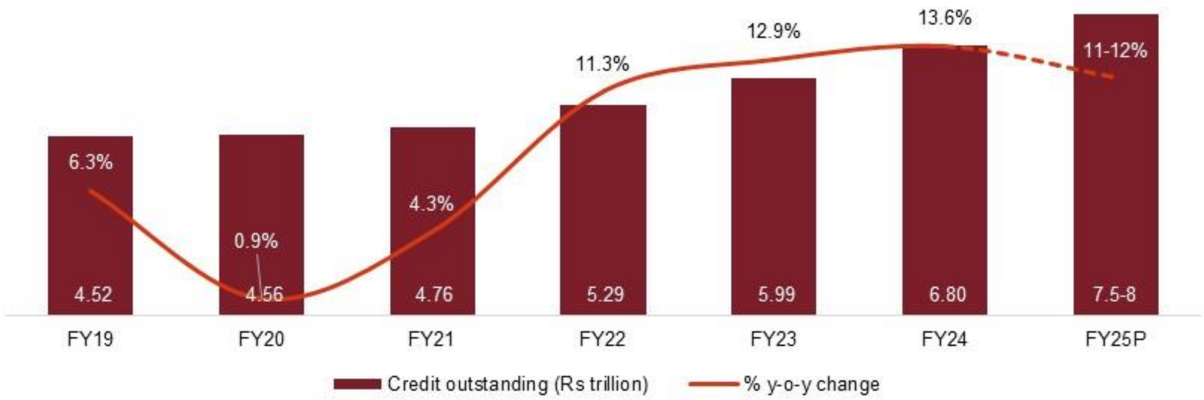
P: Projection
Note: HDFC Ltd and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Ltd's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth.
Source: Company reports, RBI, CRISIL MI&A Research

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 fiscal 2025, 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 these players have established dedicated exposure limits to expand their affordable housing portfolios, aiming to boost yields and alleviate pressure on their net interest margin (NIM), anticipating rate cuts in the second half of fiscal 2025.

Housing credit at HFCs to moderate in fiscal 2025



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Note: HDFC Ltd and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for 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, the housing credit market in the top eight cities recorded a significant surge in fiscal 2024, with 16% increase in demand and 9% rise in capital value. This resulted in ~14% growth in housing credit of HFCs. However, growth is expected to slow down this fiscal, with demand projected to rise 9-11% and capital value 4-6%. In anticipation of slow demand compared to fiscal 2024 which grew at 16%, housing developers are operating on an inventory overhang with less than three years to sell during fiscal 2024 as compared to ~ four-and-a-half-year overhang during fiscal 2020. This is driven by clearance of existing inventory and increased demand for new homes. The demand is translating into launch of new projects; however, the actual demand would be seen from next fiscal onwards, leading to a moderate credit growth of 11-12% for HFCs in fiscal 2025.

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 the society. In this milieu, new housing projects mushroomed, leading to a sharp rise in disbursements by affordable-housing finance companies (A-HFCs).

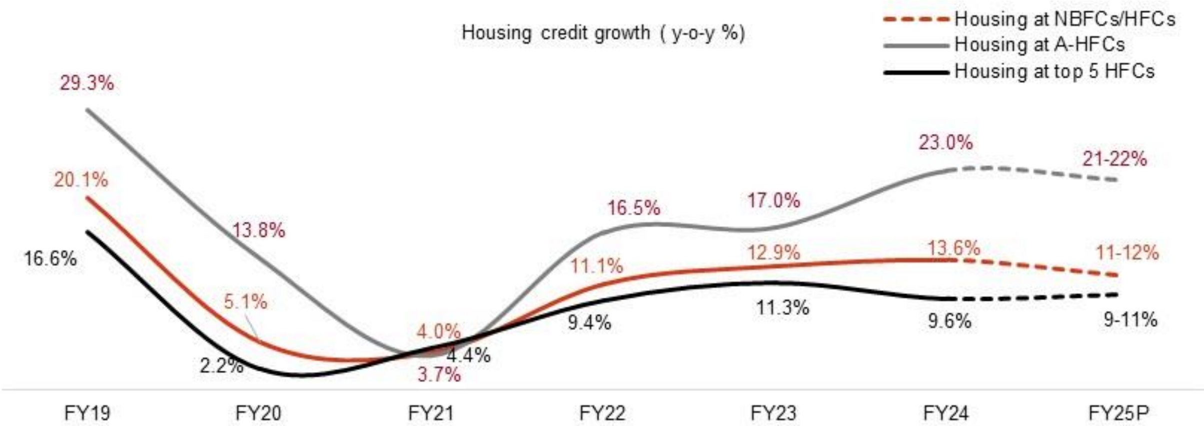
Credit growth in the A-HFC segment was led by an aggressive expansion by relatively small HFCs to gain a major share of the affordable and/or tier 2 and 3 markets. As this growth was based on new markets and credit underwriting systems under development for EWS and low-income group (LIG) customers, it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

The affordable-housing segment outpaced the overall housing finance credit growth in fiscal 2024, up 23%, largely due to an underpenetrated market, favourable demographic profile, government initiatives and a supportive regulatory/tax regime.

The Union Budget 2024-25 announced 1 crore additional houses for urban poor and middle-class families under the Pradhan Mantri Pradhan Mantri Awas Yojana-Urban 2.0 (PMAY-U). Within the PMAY-U 2.0, the Credit-Linked Subsidy Scheme (CLSS) has been revived, with an allocation of Rs 3,000 crore towards CLSS–I, covering EWS and LIG categories. It also has an allocation of Rs 1,000 crore under CLSS–II for the middle-income group (MIG) category.
In fiscal 2025, an anticipated repo rate cut will lead to the much-needed relief for the underlying assets of the A-HFCs as in a rising repo rate environment affordability is challenged. CRISIL MI&A Research expects growth of A-HFCs to

moderate to 21-22% in fiscal 2025.
Note: CRISIL MI&A Research defines A-HFCs as those disbursing loans of less than Rs 2 million, on average.

A-HFC growth seen at 21-22% in fiscal 2025



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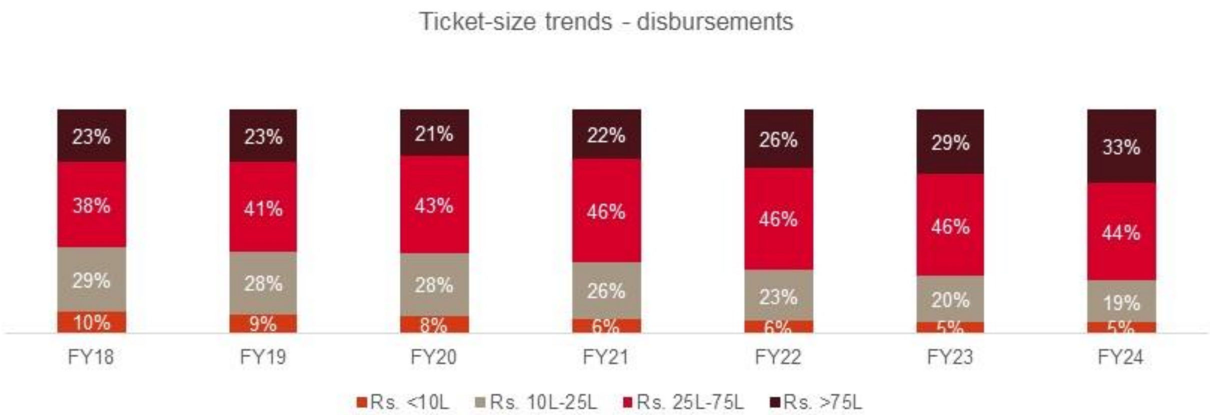
Note: HDFC Ltd and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Ltd's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth.
Source: Company reports, RBI, CRISIL MI&A Research

Mid-ticket segment's share fell in fiscal 2024

Share of Rs. 75 lakhs and above rose approximately 400 bps during fiscal 2024



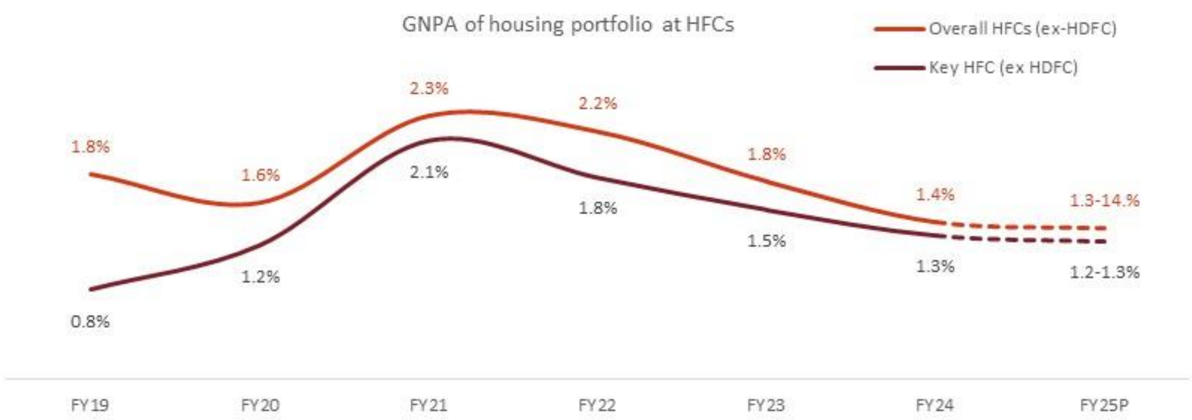
Note: The ticket size-wise share is calculated based on the value of loans disbursed during the coverage period.
Source: Credit Bureau, CRISIL MI&A Research

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, its share dropped to 44%, with the high-end segment (loans above Rs 75 lakh) gaining 400 basis points (bps) on-year. This shift was driven by a 9% surge in property prices in the fiscal, the highest in five years. However, 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. Additionally, the government's initiatives such as revival of the CLSS scheme and the 3 crore houses under the PMAY scheme in urban and rural areas are likely to boost growth in the affordable housing sector.

GNPA of housing portfolio improved by ~40 bps in fiscal 2024

Stable collection and income levels will lead to range bound GNPA during this fiscal



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Note: HDFC Ltd and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Ltd.'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

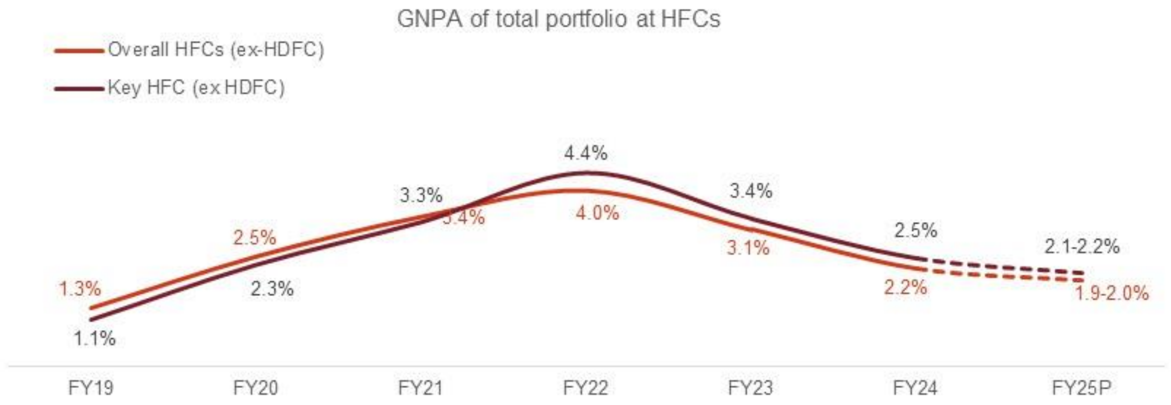
In fiscal 2023, most prime HFCs went through repricing of their books and balance transfer rates were higher. However, repricing of books reduced in fiscal 2024 on-year as the pass-on of cumulative repo rate towards the final customers is near complete.

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 appropriate provisioning also contributed to the improvement. In fiscal 2025, there is no indication of a sudden surge in bad loans or write-offs, which should keep GNPA stable. Furthermore, 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.

Decline in GNPA in fiscal 2024 driven by high write-offs at HFCs

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, CRISIL MI&A Research expects it to improve to 1.9-2.0%.



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Source: Company reports, CRISIL MI&A Research

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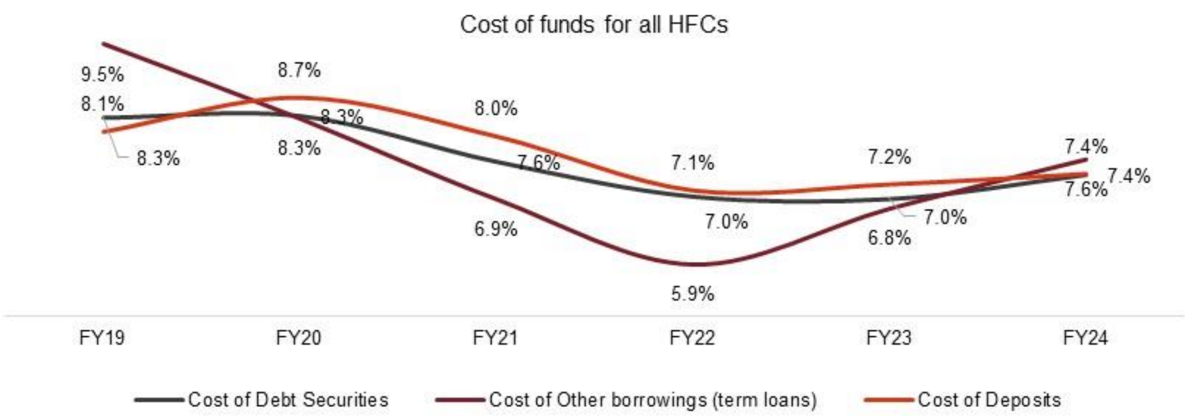
Rise in the cost of funds

Cost of funds picked up in fiscal 2024, following the raise in repo rate in fiscal 2023



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

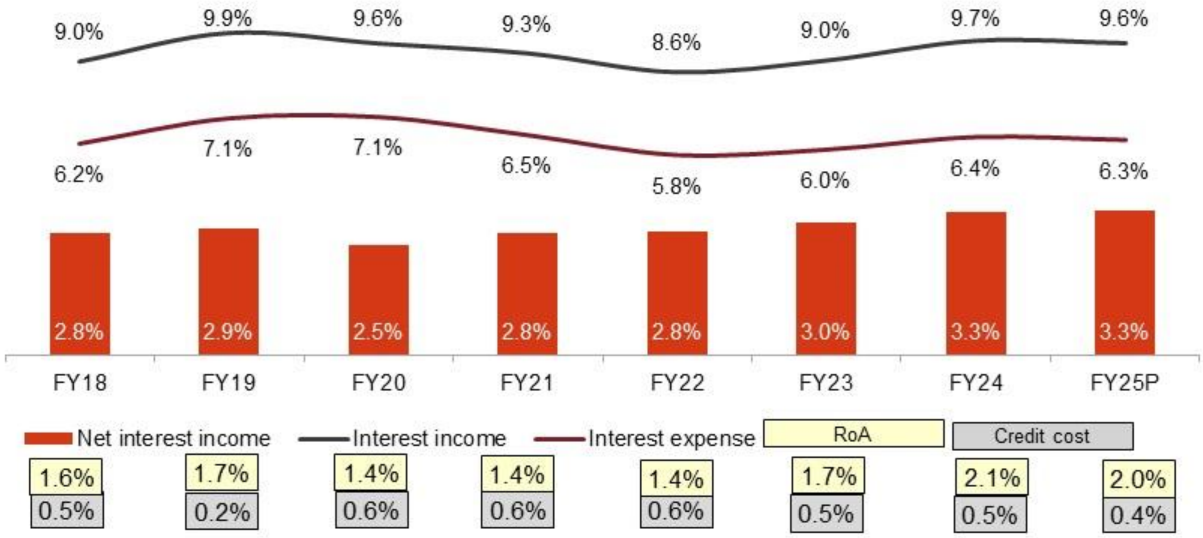
Profitability: Fiscal 2024 witnessed the best net interest income in the last five years

In fiscal 2024, HFC/NBFCs saw a 13.6% growth, resulting in increased loan disbursements and an expansion of the overall loan book. As a result, the yield on advances increased, mainly because new loans were issued at higher interest rates and the existing floating-rate loans were repriced, with the full impact of the 250-basis-point increase in repo rates in fiscal 2023 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 increased to 9.7% from 9.0% in fiscal 2023, while interest expense 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 that both interest income and interest expenses will decline in fiscal 2025, driven by the expected interest-rate cut by RBI in the second half of this fiscal. The movement of the repo rate will lead to ~10 bps lower interest income of 9.6%. Similarly, the ~10bps decline in interest expenses to 6.3% will lead to a range-bound net interest income of 3.3%. 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. However, the reduction in repo rate should have a negative impact on the portfolio, resulting in a 10-basis-point decline in return on assets.

Credit costs to fall in fiscal 2025



P: Projected
Note: All ratios are based on total assets
Note: HDFC Ltd and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Ltd'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

CRISIL MI&A Research defines affordable-housing loans as housing loans with an average ticket size of less than Rs 2 million.

Affordable-HFCs are able to garner share owing to their:

- Strong origination skills and a focused approach
- Ability to cater to a niche category of customers
- Relatively superior customer service and diverse channels of business sourcing
- Non-salaried profile of ~80% of customers
- Higher presence in smaller cities

These factors have helped affordable-HFCs capture market share as banks have become risk-averse and are focusing on high-ticket customers with good credit profiles.

By virtue of being largely present in metros and urban areas, the ticket sizes of banks and large HFCs have followed rising property prices. Further, the focus on the urban salaried segment by banks and large HFCs has enabled affordable-HFCs to tap the non-salaried customer, Tier 3 cities and rural markets.

Business model

The high cost of serving the affordable-housing category has prompted financiers to adopt innovative models to source business. An HFC targeting the low-income, informal-sector customer employs 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 source customers.

Although this model is popular and largely followed by financiers, a developer-based model, where the HFC is present at the low-income housing-project site and business takes place directly alongside developer-partners, is not uncommon. Financiers also spread awareness about their products in rural areas by setting up kiosks at gram sabhas and arranging loan melas.

Direct customer contact enables better visibility and reliable customer assessment, thus limiting fraud. Moreover, all critical functions, such as origination, verification and credit appraisal, are undertaken in-house, while certain non-core activities, such as loan documentation and processing, may be outsourced. This allows a start-up HFC to allocate more internal resources towards vital aspects of lending, such as verification and credit appraisal.

Customer risk

HFCs are aware of the challenges of serving low-income customers and the informal sector, in particular. There are fundamental differences compared with traditional housing finance, as this income group rarely has proof of income and expenditure documents that conventional mortgage lenders rely on to assess creditworthiness. Thus, evaluating these 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 assess credit quality.

Long-term growth drivers of the housing-finance sector

<table>
<tr><td>Rising per capita income</td><td>Rapid urbanisation</td></tr>
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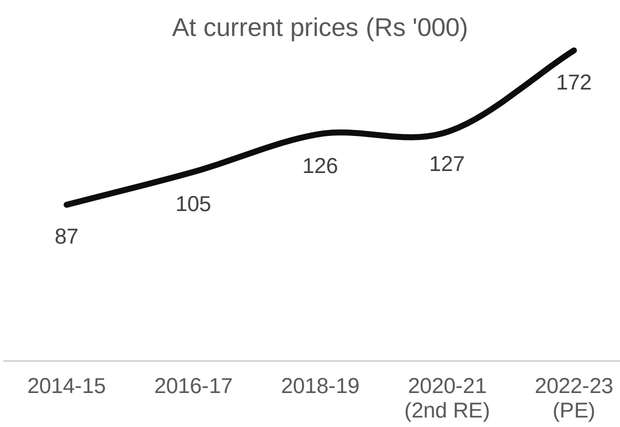

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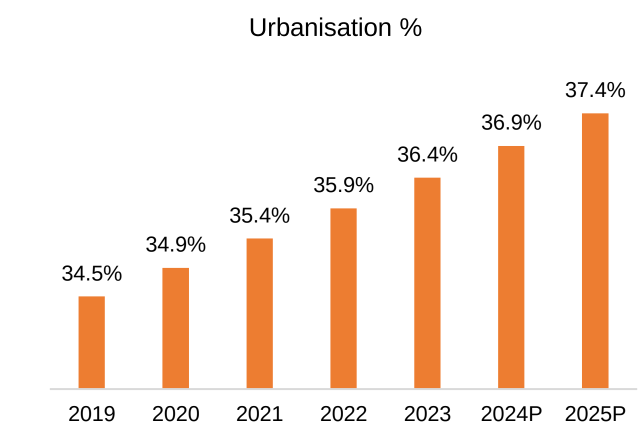

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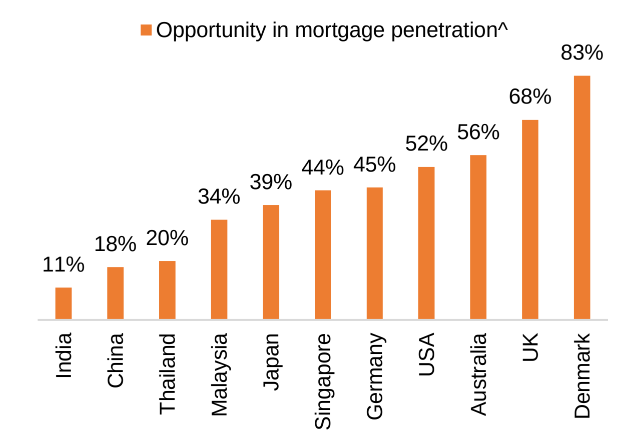
<tr><td>Rising income levels lead to higher disposable income, and therefore increased affordability</td><td>Urbanisation increases the number of nuclear families, leading to the formation of more urban households</td></tr>
<tr><td>Significant opportunity for mortgage penetration</td><td>Increasing finance penetration</td></tr>
<tr><td>


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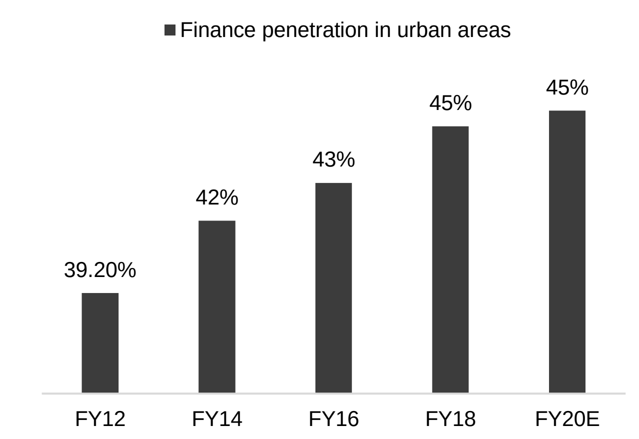


</td></tr>
<tr><td>India's mortgage penetration, though low, is improving owing to ease of financing, tax incentives, and increasing reach of financiers</td><td>Rising demand for housing in Tier 2 cities has aided finance penetration in such areas</td></tr>
</table>

^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

Competitive advantage of banks vis-à-vis HFCs	• Banks have access to borrowers' banking behaviour and their repayment history by which they approach their regular customers by offering lower interest rates (than HFCs) and zero processing fee.
Funding disadvantage for lower rated HFCs	• Smaller HFCs have disadvantage due to the mix of funding (mid-size and small HFCs are more bank-funded) and higher costs (as credit ratings are lower)
Delay in project approvals and construction	• HFCs' cash flows are largely dependent on the timely completion of projects, in which their customers have bought housing. • If the project gets delayed, the borrower may start defaulting on loans
Lack of proper title; lack of data for credit appraisal	• Credit score availability in India is still at a nascent which makes it difficult to judge the ability of the borrower to repay • HFCs are trying hard to mitigate this risk by doing more due diligence by their technical team.

Affordable housing finance – Review and outlook

Affordable housing credit to maintain growth up to fiscal 2025

The overall credit growth of affordable housing finance companies (A-HFCs), or companies disbursing average loan ticket size of less than Rs 2 million, logged a robust 15% compound annual growth rate (CAGR) between fiscals 2020 and 2024 vs an 11% CAGR for the overall housing finance segment.

The loan growth of A-HFCs was driven by higher housing demand, owing to the companies' improved operating environment supported by stable income level and increasing penetration in tier 2 and 3 cities. Also, factors such as rising disposable incomes, stable economic conditions and government initiatives, such as Housing for All, contributed to the sharp double-digit growth.

Demand remained strong into fiscal 2024, tapering towards the end of the fiscal. A prolonged period of higher interest rates lowered demand towards the end of the fiscal. Moreover, some of the affordable housing customers moved up into the lower-level mid-ticket borrowing bracket of 25-75 lakh by extending their budgets owing of increase in capital values.

Going forward, a push in the form of Rs 2.2 trillion allocation for Pradhan Mantri Awas Yojana 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 focus towards the premium and luxury segments in metros, tier I and II cities, etc.

In fact, in fiscal 2025, the credit growth of the A-HFC segment is projected to continue to outpace the overall sector. 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 and economically weaker section (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 expectation of a repo rate cut in the second half of fiscal 2025 will lead to revival in demand as well.

A-HFCs credit growth trend vs overall segment

P – projected
Note: HDFC Ltd and HDFC Bank became a merged entity effective July 1, 2023. Past loan book of HDFC Ltd for the retail housing and commercial real estate segments have been adjusted to arrive at normalised credit growth
Source: Company reports, Reserve Bank of India (RBI), CRISIL MI&A Research

GNPAs of affordable housing portfolio to remain range bound in fiscal 2025

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 the 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.

In fiscal 2025, CRISIL MI&A Research projects GNPAs to remain range bound at 1.5-1.6% on-year on A-HFCs maintaining controls.

NCD issuance of A-HFCs strong in first half of fiscal 2024

Demand for affordable housing sharply increased in fiscal 2023, following a rebound in the economy from the pandemic-induced slowdown, with the segment growing at high double digits. This translated into increased requirement for of funds by A-HFCs.

Even though term loans from banks comprised the largest portion of overall borrowings of A-HFCs, there was also a marginal rise in the issuance of non-convertible debentures (NCDs) post the second quarter of fiscal 2023.
The first quarter of fiscal 2024 saw a spike in issuances, led by one player issuing ~77% of the total Rs 91 billion during the quarter. Hence, in fiscal 2024, issuances totalled Rs 211 billion, which was 2.1x the issuances in fiscal 2023. In fact, even barring the one-off outsized issuance by one player, issuances still rose 1.4x.

In the first quarter of fiscal 2025, though, the pace of issuances had slightly decelerated on-quarter; still, it remained above the corresponding period of fiscal 2024.

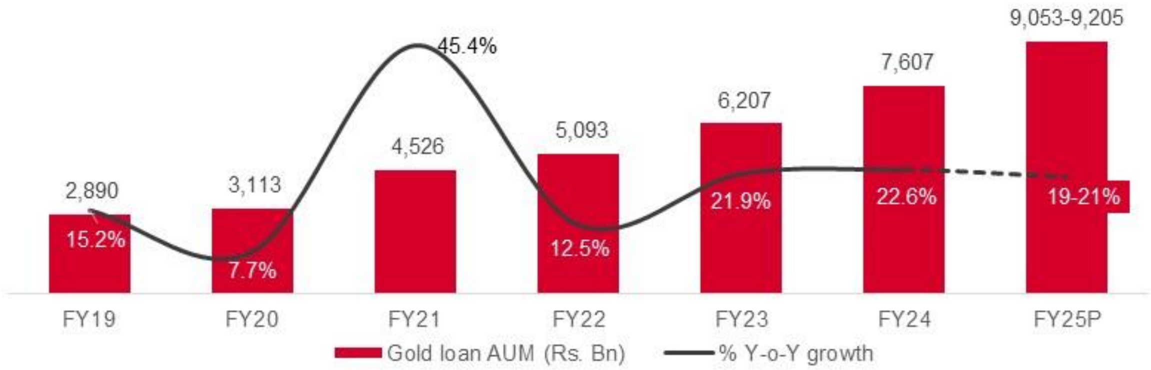
Gold finance – Review and outlook

Gold loan growth to regain lustre

The overall gold loan segment (banks and NBFCs combined) grew by 23% during fiscal 2024, marginally slower than the 25% compound annual growth rate (CAGR) logged between fiscals 2020 and 2024. While credit growth of banks in the segment is estimated to have normalised, credit growth of NBFCs have recovered post a slack seen post pandemic, leading to healthy growth in the overall segment in fiscal 2024, primarily driven by increasing gold prices, an inherently better asset quality performance and better rates of interest.

In fiscal 2025, the overall segment is expected to grow a further 19-21%. Gold loan NBFCs will continue to lose market share to banks amid competition in the segment even as their disbursements are expected to recover. Further, on account of regulatory action on one of the NBFC by RBI and it imposing curbs on new sanctions has led to the company's portfolio to shrink considerably which will also drag the overall credit growth of non-banks during current fiscal.

Gold loan AUM to normalize



Note: 1) P — projected
2) Includes agricultural lending by banks with gold as collateral
Source: Company reports, CRISIL MI&A Research

The firming up of gold prices in India on account of elevated inflation, a global economic slowdown, rupee depreciation and an increase in gold import duty could support the loan-to-value (LTV) ratio of lenders. Rising prices also create headroom for further credit growth.

The customer shift from unorganised to organised players will also support credit growth, largely because unorganised players charge exorbitant rates of interest and provide little clarity on valuation of gold and LTV. Also, there is no assurance that the pledged asset will be returned.

CRISIL MI&A Research believes organised financiers will see their share grow, driven by increasing gold loan penetration in the country through geographical diversification and wider popularity of this mode of financing.

Organised gold loan penetration in India (computed as gold stock with organised financiers divided by the total gold stock in India) is estimated at ~6% as of March 2024, indicating significant headroom for organised gold loan market growth. It is expected to deepen due to wider geographical diversification, a growing branch network and increasing keenness of households to monetise their gold holdings for personal and business needs. The increase in gold prices and expectations of micro enterprises to fund their working capital requirements through these loans are also expected to boost gold financing growth
The organised segment has been using digital and online platforms, along with phygital (combination of physical and

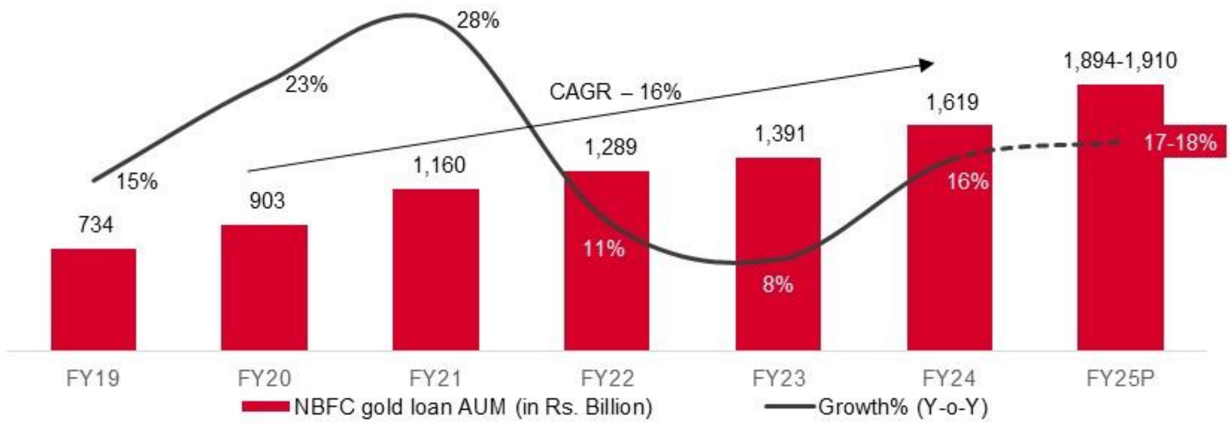
digital) modes to do business. In fact, the growing uptake under these modes is expected to be the primary growth driver.
NBFCs compete on operating efficiency, turnaround time and local connect while managing risks

Despite banks having a competitive advantage by offering gold loans at a lower cost, NBFCs have been trying to compete through aggressive branch expansion and a sharper focus on customer experience. They focus more on the gold loan business and have, accordingly, built their service offerings by investing significantly in manpower, systems and processes in line with customer needs. Some key features are listed below:

1. Lower turnaround time and less documentation: The borrower generally wants to get the loan disbursed as quickly as possible. Availability of well-trained and experienced employees in assessment and valuing gold helps NBFCs disburse loans faster than banks
2. Wider reach and better local connect: NBFCs have a wider and deeper reach geographically, especially in rural and semi-urban regions, where the demand for gold loans is higher
3. Risk management process: Most NBFCs have put in place a comprehensive and robust risk management process based on their experience and considering the key risks involved. These include steps to prevent fraud, ensure safety of the gold stored and recoup losses from possible non-performing assets

Growth in NBFC gold loan disbursals moderated further in fiscal 2023, owing to increased competition from banks and lower rural credit demand. Also, as cash flows improved following a rebound in economic activity, borrowers began repaying the loans and redeeming their gold. However, with a recovery in rural credit demand, expansion and optimisation of gold loan branches, credit growth is recovered in fiscal 2024 and the trend is expected to continue in fiscal 2025.

Loan book growth of gold loan NBFCs to improve amid rising gold prices



Note: P — projected
Source: Company reports, CRISIL MI&A Research

Looking to compete more effectively with banks and fintechs, gold loan NBFCs are expanding their reach and customer base through focused marketing strategies, and also by increasing advertising and employee incentives. They are also working towards ringfencing their high-value customer base (loans >Rs 2 lakh), which is targeted by the banks, and expanding to cater to rural low-income customers. The majority of customer base of gold loan NBFCs, though, remains stable, as banks typically cater to higher ticket sizes.

NBFC growth logged a 16% CAGR between fiscal 2020-2024 despite low credit growth of 8% in fiscal 2023. CRISIL MI&A Research projects credit growth of gold assets under management (AUM) at 17-18% in fiscal 2025 on account of branch expansion and optimisation, expected firming up of gold prices, an increase in credit demand from the target consumer segment of NBFCs and easing competition from banks.
The average ticket size of gold loans has been rising over the past five years, as higher gold prices have created headroom

for incremental credit due to lowering of the LTV ratio. Since the LTV ratio for NBFCs is capped at 75%, the increase in average ticket size suggests a rise in the gold loan portfolio owing to higher gold prices. Thus, AUM growth is also led by an increase in ticket size, in addition to higher volumes.

Increase in average ticket size contributed to loan book growth

Average ticket size (Rs lakh)	FY19	FY20	FY21	FY22	FY23	FY24
Manappuram Finance	0.33	0.39	0.45	0.57	0.58	0.59
Muthoot Finance	NA	NA	0.61	0.69	~0.70	0.83
IIFL Finance	0.58	0.56	0.59	0.70	0.63	0.90

Source: Company reports, CRISIL MI&A Research

Gold loan book per tonne indicates growth fuelled by gold prices

The gold loan book per tonne increased from Rs 1.97 billion in fiscal 2019 to Rs 3.79 billion in 2024 largely in line with higher gold prices as shown in the exhibit below.

Such a strong correlation between loan book growth and gold prices indicates that any adverse movement in prices will have an adverse effect on credit growth.

Source: Company reports, CRISIL MI&A Research

Demand for gold loans higher in southern states

Southern states accounted for 50-55% of the overall gold loan AUM over the past five years due to the following factors:

- Gold owners in the region have better awareness about the utility of the yellow metal as a collateral to raise funds
- The region has seen the origination and establishment of gold loan franchisees, which have devised simple procedures that ensure quick loan disbursement
- Though the south continues to dominate, several players have been shifting focus to untapped markets in the eastern and western regions, where there are fewer branches but they provide an incremental growth opportunity.

Micro finance – Review and outlook

MFIs credit growth to moderate amid concerns on collection and over leveraging

In India, microfinance plays an important role in delivering credit to the bottom of the economic pyramid. As a result, microfinance lends support to income-generating activities and livelihoods in both rural and urban geographies. Microfinance loans are of small amount, have short tenures, are extended without collateral, and have a higher frequency of loan repayments compared with traditional commercial loans. These loans are generally taken for income-generating activities, but are also provided for consumption, housing, and other purposes. Thus, MFI operations have traditionally been cash-intensive and have become very aggressive in the rural areas especially after demonetisation.

The total outstanding microfinance credit stood at Rs. 4.34 trillion as of March 2024. NBFC MFIs held the largest market share at 39%, equivalent to Rs. 1.71 trillion, followed by banks at 33% (Rs. 1.44 trillion), with the remaining 27% divided among small finance banks, other NBFC and non-profit NBFCs.

Overall microfinance industry has grown at a CAGR of 17% between fiscal 2020-24 with NBFC-MFIs growing at the fast pace of 24% CAGR and capturing the market share of banks which witnessed a growth of 12% during the same period. Over the last decade micro finance industry has been affected by multiple macro events which has impacted the stability of the segment. This includes, Andhra Pradesh (AP) crisis (2010), and Andhra Pradesh farm loan waiver (2014), small finance banks (SFB) licenses issued to MFIs (in-principal approval in 2015), demonetisation (2016), farm loan waiver across some states (2017 and 2019) and nationwide impact of pandemic (2021 and 2022).

Post a moderation during fiscal 2021 and first half of fiscal 2022, with pick-up in economic activities and improved collection efficiency NBFC MFI sector grew at 24% on year for fiscal 2022. Further, with revised MFI guidelines announced by RBI in March 2022 leading to raise in the total household income threshold for collateral-free loans to fuelled growth.

Further, during FY24, NBFC-MFIs witnessed disbursement growth of 6% on-year with disbursements aggregating Rs 1,383 billion as compared to Rs. 1,306 billion during FY23. The slower growth was on account of lower collection efficiency in the micro finance segment since from December 2023 onwards.

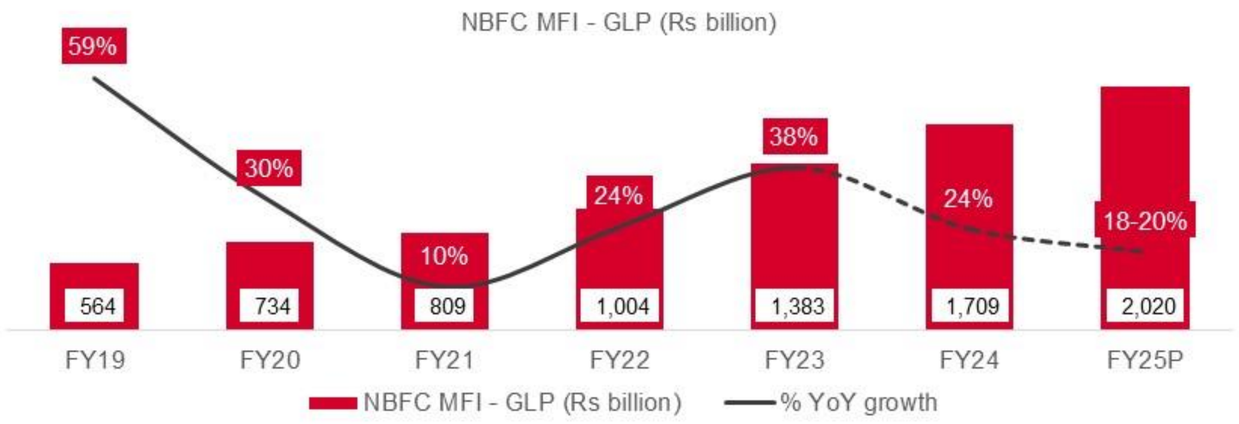
Collection challenges were primarily due to over leveraging of customers, this was on account of multiple loans obtained by a household. The impact of this was seen across lender groups with growth slowing down in Q4FY24 and trend continued in Q1FY25. Additionally, the demand moderation during second half of fiscal 2024 was on account of the "Karza Mukti Andolan" in certain geographics, geographies such as Punjab and Tamil Nadu due to flood impacting economic activities and heatwaves impacting economic activities.

In lights of the above MFIN the self-regulatory body of microfinance, announced serval steps to tighter regulations. These includes, restricting the number of microfinance lenders to a borrower to maximum of 4 and total indebtedness to Rs. 2 lacs.

CRISIL MI&A Research estimates that the NBFC-MFIs continued to outpace other lenders with slight moderation in growth at 18-20% during fiscal 2025. The growth will be primarily supported by increased penetration of NBFC MFIs into new geographies.

NBFCs MFIs growth to moderate post high double digit growth during last three fiscal years

NBFC MFIs grew at a healthy CAGR of 24% between fiscal 2020-24 with a slack witnessed during fiscal 2021 on account of pandemic related disruptions. Post which with recovery in rural economy, pent-up demand for credit and increase in ticket size of disbursements supported by new MFI regulations aided in credit growth during fiscal 2022 and 2023. During fiscal 2023, the disbursement for NBFC-MFIs grew at 57% on year with gross loan portfolio growing at 38%.

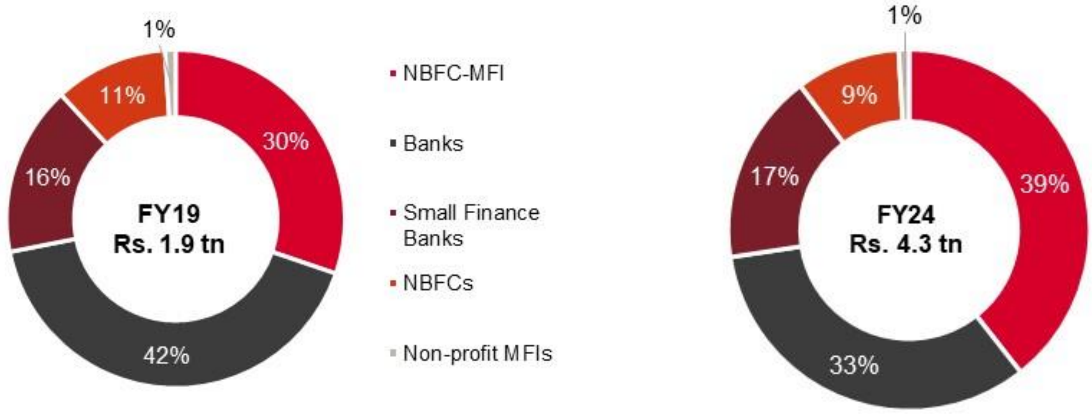


Source: CRISIL MI&A Research, MFIN, company reports

During fiscal 2024, the disbursements for NBFC MFIs grew by 6% on year for FY24 aggregating to Rs. 1,383 billion. The mid-single digit growth was on back of a higher base and marginal slowdown in growth during last quarter of fiscal on account of collection challenges. In certain geographies such as Punjab and Tamil Nadu due to flood impacting economic activities. Additionally, in the state of Punjab lenders faced slippages on portfolio due to loan wavier campaign and ongoing farmer protests along with customer overleveraging issues across geographies. At an aggregate level NBFC MFIs outpaced banking credit growth at 24% vis-à-vis 21% during fiscal 2024 respectively.

NBFC MFIs credit growth trend is expected to continue with moderation to 18-20% in fiscal 2025. The growth will be primarily supported by increased penetration of NBFC MFIs into new geographies along with increased ticket size of existing borrower for new cycle loans.

NBFC-MFIs share increased by 9% between fiscal 2019-24 at cost of bank's

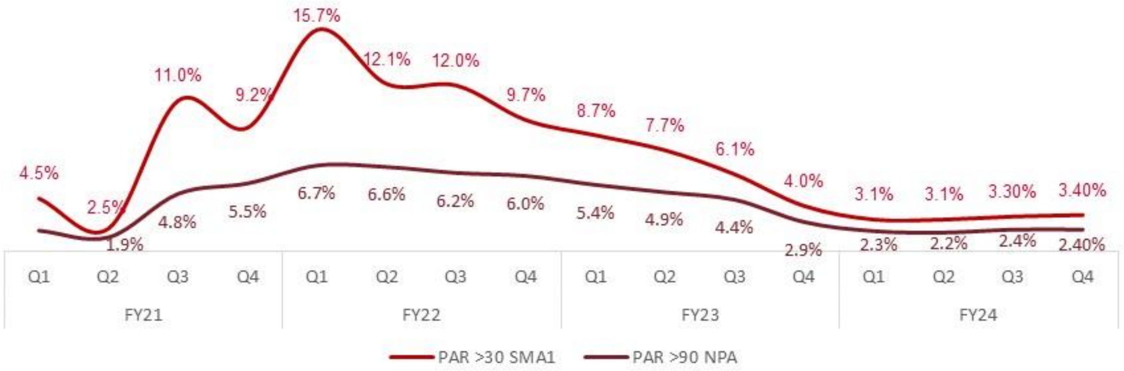


Source: CRISIL MI&A Research, MFIN

Banks had the largest share in the MFI industry during fiscal 2019 as they lend under priority sector lending (PSL) norms. However, NBFC-MFIs have been growing aggressive over the past five fiscals, with their loan book growing at a CAGR of 24% between 2020-24 compared with ~12% for banks. The focused lending approach for NBFC MFIs along with

support from investors (impact and PE funds) has been critical in growth post pandemic.
Stressed witnessed in few geographies leading to inch up in GNPA during FY24

PAR 90+ witnessed an uptick during FY24, with stress among states such as Tamil Nadu and Punjab



Source: CRISIL MI&A Research, MFIN

Credit cost to rise in current fiscal owing to higher slippages

Yields in the segment have historically been high due to their high borrowing cost and riskier borrower profiles. Borrowers are small businesses and household manufacturing entities with weak payment profiles. Any disruption in normal business environment impacts their cash flows, weakening their repayment ability. As a result, players factor in this risk in terms of higher yields. Typically, large players in this segment have yields of 18-23%.

Since almost 100% of borrowers are charged fixed rate of interest, due to the shorter span of loan, any change in repo rate will be immediately passed on to borrowers. After an aggressive hike of 250 bps during fiscal 2023, the Central Bank has been on a pause and is monitoring the movement in inflation and the impacted of pass on of rates on the economy.

The yields are expected to decline during fiscal 2025 on back of expectation of declining repo rates and RBIs cautioning microfinance lender to contain the higher pricing to borrowers. In lines with declining interest rates the cost of funds is also expected to decline marginally. However, due to faster declining in yields the spreads and margins are expected to contract.

Further, the credit cost is expected to rise on account of slippages seen in stage II and stage III buckets leading to lower RoAs in fiscal 2025 at ~4.5-4.6% compared to 5.2% in fiscal 2024.

MSME finance – Review and outlook

Credit offtake by micro, small and medium enterprises (MSMEs) in fiscal 2024 stood at Rs 35,432 billion. Banks had a dominant 76% share of this, while non-banking financial companies (NBFCs) accounted for the balance.

The first and second waves of the Covid-19 pandemic were particularly tough for MSMEs. That’s because their prospects are fundamentally linked to the broader economic activity. The frequent lockdowns and mobility restrictions interrupted supply and demand for goods and services, adversely impacting the profitability of most industries. That, in turn, significantly affected MSMEs in fiscals 2021 and 2022.

To mitigate, the central government launched the Emergency Credit Line Guarantee Scheme (ECLGS) in May 2020 so that MSMEs can fulfil their operational liabilities in the early stages of the pandemic and resume operations as the economy stabilised by supporting their liquidity needs and promoting loan offtake.

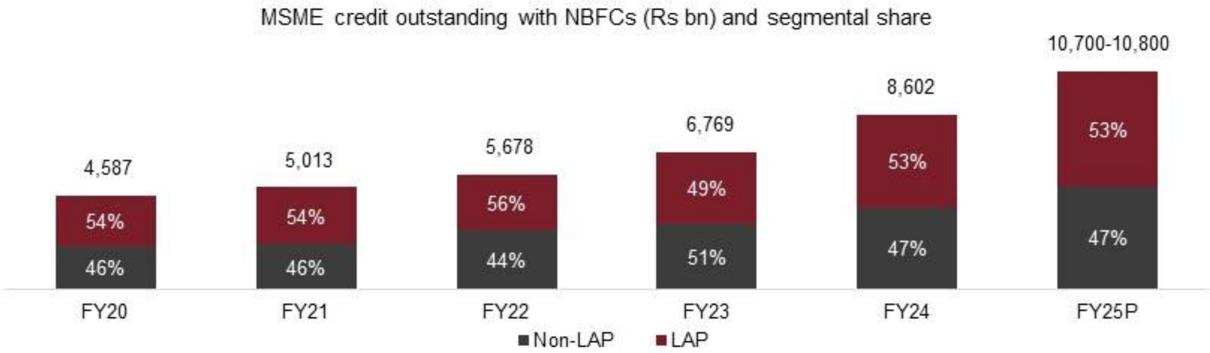
In the Union Budget 2024-25, the government announced several initiatives to boost the MSME sector.

They included expanding the MUDRA loan scheme's Tarun Category with higher limits, introducing a new credit guarantee scheme of up to Rs 100 crore per applicant for machinery and equipment purchases without collateral, creating a mechanism to facilitate credit flow to MSMEs facing special mention account issues beyond their control, opening 24 new Small Industries Development Bank of India (SIDBI) branches to serve MSME clusters and increase funding for developing in-house technology-based underwriting models for public sector banks to evaluate MSMEs, reducing TDS for e-commerce operators from 1% to 0.1%, establishing e-commerce export hubs through public-private partnerships and lowering the turnover threshold for mandatory onboarding on the Trade Receivables Discounting System (TReDS) platform from Rs 500 crore to Rs 250 crore.

In fiscal 2023, the Indian economy normalised, with industrialisation and urbanisation picking up pace. As a result, revenue of corporate India increased 20%, while that of SMEs grew 11%. In line with the overall growth, aggregate MSME credit grew a robust 25% during the fiscal. However, in fiscal 2024, growth rates witnessed marginal moderated as the pent-up demand from the previous year was absorbed. MSME credit growth slowed to 21.7%, SME revenue growth eased to 7-8% and corporate India's revenue growth moderated to 8-9%.

CRISIL MI&A Research expects MSME credit growth to remain rangebound this fiscal 2025, with a projected growth rate of 20-21%. While bank lending is anticipated to grow slower pace of 18-19% vis-à-vis NBFCs which are likely to lead with an expected surge of 24-25%, outpacing the overall MSME credit growth.

LAPs to maintain share within NBFC MSME financing



Note:
1. P: Projected
2. Non-LAP segment includes secured and unsecured loans
Source: Company reports, CRISIL MI&A Research

During fiscal 2023, the segmental share of the non-LAP portfolio (LAP is loan against property) of the NBFCs grew to 51% from 44% in fiscal 2022. The increase was fuelled by the MSMEs' desperate need for cash for day-to-day operations amid global and domestic uncertainties. The NBFCs started niche credit assessments without the requirement for property collateral to provide the organisations with credit.

In fiscal 2024, the LAP portfolio regained its dominance, accounting for 53% of the total, as economic activity rebounded with support from government initiatives such as the Atmanirbhar Bharat and the RBI. Additionally, housing finance companies (HFCs) contributed to the growth of the LAP segment as they expanded their portfolios to achieve better blended yields. This trend is expected to continue this fiscal too as HFCs focus on retailisation of their portfolios, further boosting the share of LAPs. CRISIL MI&A Research expects the LAP share to remain stable at 53% this fiscal.

Industrialisation, steady economic expansion to propel MSME credit

Notes:
1. P: Projected
2. Credit deployment data published by the RBI was revised and so were the comparable numbers for the previous fiscals.
Sources: Company reports, CRISIL MI&A Research

Faster-than-expected revival in economic activity and pent-up demand post the pandemic led to a growth spurt in MSME lending since the plummet in fiscal 2021. In fiscal 2023, the healthcare, consumption and construction sectors drove the growth. Robust economic growth of 7.0% is linked closely to the sector as MSMEs form ~30% of the gross domestic product (GDP). However, owing to slower GDP growth in foreign markets, such as the UK and US, export-oriented MSMEs saw lower growth.

In fiscal 2024, the healthcare, consumption, construction and infrastructure sectors continued to propel growth, while the information technology-enabled services (ITES) sector stood out as a bright spot among export-led sectors. Meanwhile, pharmaceutical companies saw a healthy growth, driven by strong domestic demand and increased exports. Majority of the registrations on the Udyam portal were MSMEs from the services sector.

MSMEs in the commodity-led manufacturing sector logged a slow growth and accounted for the balance registrations. The RBI's sectoral deployment shows that the bank credit to micro and small industries and overall services-related companies grew faster during the fiscal, while that to medium-sized units and overall manufacturing sector grew slower.

India's economy experienced a strong upswing in fiscal 2024, with GDP growth reaching 8.2%. However, as noted earlier, the SMEs and bigger corporates saw a moderation in revenue growth. This fiscal, GDP growth is expected to moderate to 6.8%, while corporate India's revenue is projected to accelerate to 9-10%. SMEs are also expected to maintain a healthy growth rate of 8-9%, driven by robust consumer demand. Furthermore, rapid urbanisation is expected to fuel credit demand, as a growing urban population drives up demand for domestic products and services, creating opportunities for MSMEs to expand and increase their credit requirements. CRISIL MI&A Research expects NBFCs' credit to MSMEs to grow 24-25% in fiscal 2025 with banks following closely at 19-20%. The overall MSME credit is projected to grow 20-21% during the fiscal.

NBFC-LAP segment growth to moderate in fiscal 2025

LAPs can be obtained by mortgaging residential and commercial real estate with a lender. These loans can be used for personal or business purposes and both salaried and self-employed individuals are eligible to apply. The main purpose of the loan is not strictly regulated and as it offers the financier security in the form of real estate, LAP is a secured offering with lower interest rate than a personal or corporate loan.

Non-LAP growth to be led by NBFCs, with banks focusing more on LAP

Loans with security and those without it make up the non-LAP sector. Working capital products, such as cash credit, overdraft facilities and bill discounting, as well as other term loan products (asset-backed or hypothecated loans), are examples of non-LAP secured MSME loans. Hypothecated loans are term-based where the offered collateral is a combination of real estate, stock and so on.

Self-employed borrowers are provided unsecured MSME loans in the absence of a collateral. Instead of being dependent on a collateral, this type of lending is cash-flow-based. Unsecured loans are reviewed based on a variety of factors, including scorecards, bureau checks, bank accounts, financial statements and returns from the goods and services tax. When a small business reaches a bank's cash credit and overdraft limits, it typically goes for an unsecured business loan to expand or sustain operations, take advantage of short-term possibilities or get through a cash flow crisis. Many lenders offer these loans, in addition to the secured loans they already possess.

Owing to the non-availability of collateral, underwriting plays a key role in maintaining the asset quality of unsecured business loans. Underwriting these loans requires expertise and is powered by new financial technology and increased availability of data on customers' credit history. Competition in the secured loans market (especially retail loans) has compelled the NBFCs and a few private banks to gain expertise in niche lending and build robust digital platforms to cash in on fresh opportunities in the unsecured business loans space, while maximising profitability.

Asset quality

MSME asset quality improves, expected to remain range bound

As of March 2021, asset quality of MSME loans deteriorated owing to Covid-19 as income of the borrowers was impacted which led to rise in GNPA numbers. With continued improvement in economic activity, better collection efficiency and strong credit growth, GNPA level decreased by March 2023.

As of March 2024, the ratio stood between 4-5%. Among various lenders, the asset quality of private banks, which serve relatively low-risk customers, is better than other lender categories, such as NBFCs, which serve customers with lack of documented income. CRISIL MI&A Research estimates asset quality to be in similar range of 4-5% during fiscal 2025 due to expected slippages as portfolio seasons.

Wholesale finance – Review and outlook

Real estate constitutes 46% of NBFCs' overall wholesale lending in fiscal 2024

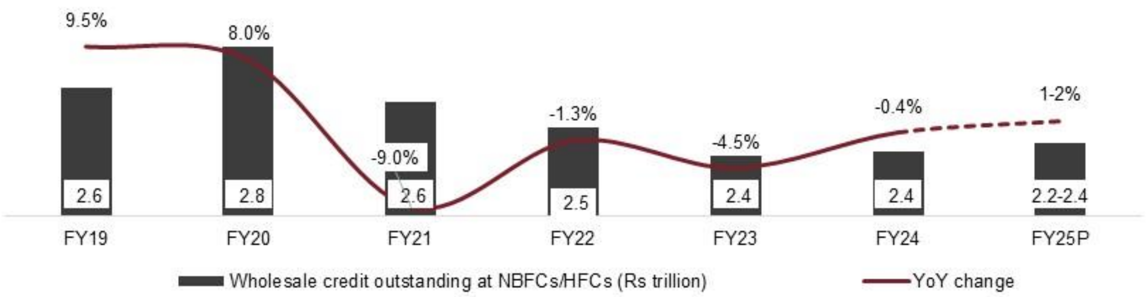
Over the past few fiscals, non-banking financial companies' (NBFCs) lending to the real-estate sector has undergone a considerable change in terms of size, complexity and interconnectedness with the financial sector. Majority of housing finance companies (HFCs) are downsizing their real-estate portfolios, and only a few are actively expanding.

Wholesale finance encompasses providing short- and long-term funding to large and medium-sized corporate firms, institutional customers and real-estate developers by banks and other financial institutions. CRISIL MI&A Research excludes lease-rental discounting from the wholesale book and lending to the infrastructure sector, and covers only loans offered to large and mid-sized corporates in non-infrastructure segments.

Wholesale exposure of NBFCs muted in fiscal 2024

NBFCs were cautious in lending to both the corporate and real-estate sectors. As a result, their wholesale book declined at CAGR of 4% over the last five fiscals. Most NBFCs are nearing completion of the transition to divesting their wholesale lending portfolios by fiscal 2025. However, those still focused on expanding their portfolios are expected to see normalisation in fiscal 2025. As a result, wholesale credit witnessed a muted growth of 0.4% in fiscal 2024 and is further projected to start growing in the range of 1-2%in fiscal 2025.

NBFCs’ wholesale credit outstanding is expected to rise by 1-2% in fiscal 2025



Notes:
1. P – Projected
2. HDFC Ltd and HDFC Bank are a merged entity effective 1 July 2023. Past numbers have been adjusted for estimated loan book of HDFC Ltd for the retail housing and commercial real-estate segment for normalised credit growth.
Source: Company reports, Reserve Bank of India (RBI), CRISIL MI&A Research

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Asset quality

Overall stress in the real estate and corporate segments has remained higher than in other segments. CRISIL MI&A Research estimates the overall stress in the wholesale book to be high, including contractual moratorium, book under extension by 'date for commencement for commercial operations (DCCO) extension. The wholesale GNPAs for non-banks (including HFCs) has moderated marginally during fiscal 2024, however, for few players the GNPAs are being on high double digit due to continued decline in wholesale book and no new disbursements. CRISIL MI&A Research estimates the overall GNPA to remain on a higher side at 8-10% during fiscal 2025.

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, its Subsidiaries and its Associates, and to the extent is accompanied by financial information, such information is included on a consolidated 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 21, 23 and 251, respectively of this Draft 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 Consolidated Financial Statements for Fiscal 2024, Audited Consolidated Financial Statements for Fiscal 2023, Audited Consolidated Financial Statements for Fiscal 2022 and H1 2025 Unaudited Financial Results as included in this Draft 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 "NBFC Report" dated August, 2024 ("Industry report on NBFC Report") prepared and issued by CRISIL Market Intelligence & Analytics, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL Market Intelligence & Analytics 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 NBFC Report 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 NBFC Report 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 NBFC Report, see Risk Factor No. 38 "Third party industry and industry-related statistical data in this Draft Shelf Prospectus may be incomplete, out of date, incorrect or unreliable" on page 43.

Our Company is a Non-Banking Financial Company – Middle Layer ("**NBFC-ML**") registered with the RBI, catering to the credit requirements of a diverse customer base with its plethora of products. Our 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.

The Company has received a registration as a Non-Banking Financial Company bearing registration number N-13.02386 vide certificate dated March 6, 2020.

Over the past several years, we have diversified our products and expanded our presence into segments that are of greater relevance to the evolving business environment and customer demand trends. Our key strategy is to steadily grow high quality, diversified retail assets focusing on under-banked segments, with effective risk management and cost optimization through well-defined processes and leveraging technology.

Our product offering evolution is depicted below:

Home Loans: include finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes.

Loan against property (LAP): is availed for working capital requirements, business use or acquisition of new commercial property.

Gold Loans: includes finance against security of mainly used gold ornaments. We offer loan against gold to small businessmen, vendors, traders, farmers and salaried people for their personal needs as well as for working capital needs.

Micro, small and medium enterprise financing segment (MSME): is to provide working capital finance to small business owners. We provide small ticket loans, thereby being able to meet the needs of small scale businesses including standalone shops etc.

Microfinance: includes credit support mainly to women, who have either limited or no access to formal banking channels. We provide financial services to the economically weaker sections of society with an aim to bring microfinance services to the doorstep of the rural and semi-urban BoP (Bottom of Pyramid) families in India. Loans are offered under various categories such as income generation, education, sanitation etc. We follow the Grameen Model (also regarded as joint liability group).

Construction and Real Estate finance: includes loans to developers for construction and development of predominantly affordable residential projects and a small proportion of mixed-use projects. In line with our broader retail strategy, the construction finance vertical is an enabler for providing retail loans under the approved project route, wherein the Company has tie-ups with developers for funding the property buyers under the retail home loan category.

Capital Market Finance: includes Loans against Securities, Margin Funding, IPO financing and other structured lending transactions.

As at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, our consolidated assets under management were ₹ 66,963.51 crore, ₹ 78,959.88 crore, ₹ 64,637.64 crore and ₹ 51,209.79 crore, respectively.

Our product wise split of assets under management on a consolidated basis is as under:

(₹ in crore, unless otherwise stated)

Products	**AUM (Consolidated basis)**			
	September 30, 2024	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
AUM				
Home Loans	29,116.28	27,438.28	21,800.37	17,727.04
Loan against property	8,502.02	8,606.64	6,671.20	5,675.33
Gold Loans	10,796.79	23,354.10	20,733.26	16,228.02
MSME Financing	5,419.21	4,301.68	2,511.55	1,997.20
Microfinance	11,310.82	13,093.73	9,785.63	6,154.65
Construction and Real Estate Finance	1,439.53	1,857.29	2,694.06	2,899.17
Capital Markets Financing	378.87	308.15	441.57	528.38
Total AUM	**66,963.51**	**78,959.88**	**64,637.64**	**51,209.79**

Our product wise disbursement on a consolidated basis is as under:

Disbursement Core Business*	**September 30, 2024**	**March 31, 2024**	**March 31, 2023**
Home Loans	3,548.00	8,522.00	8,076.00
Loan against property	709.65	3,654.82	3,055.07
Gold Loans	1,299.35	35,085.40	32,367.84
MSME Financing	3,250.23	4,852.00	2,807.42
Microfinance	2,753.66	11,592.09	9,656.64
Total Disbursement	11,560.89	63,706.31	55,962.97

**The disbursement numbers have been rounded off to nearest crore*

The following table sets forth certain key performance metrics on a consolidated basis, as of and for the periods indicated:

(₹ in crore, unless otherwise stated)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
AUM~	66,963.51	78,959.88	64,637.64	51,209.79
Total Comprehensive Income (TCI) (post non-controlling interest)	123.96	1,747.77	1,534.01	1,197.11
Pre-provision operating profit (PPOP)*	1,379.01	3,664.08	2,831.39	2,346.37
PPOP/ Average AUM	3.89%	5.04%	5.04%	5.11%
Operating Expenses/ Average AUM	4.17%	3.86%	3.99%	3.47%
Average Interest Spread	7.13%	7.86%	7.84%	6.54%
Cost/income ratio (%)	60.78%	44.62%	42.99%	39.64%
ROA# (%)	0.83%	3.42%	3.25%	2.74%
ROE## (%)	2.34%	18.42%	19.92%	20.60%
GNPA (%)	2.35%	2.32%	1.84%	3.15%
NNPA (%)	1.06%	1.20%	1.08%	1.83%
Loan Book	44,526.78	50,833.49	40,101.87	34,066.58
PCR### (% including stage 1,stage 2 and SICR/Standard asset provision)	135.93%	104.43%	167.25%	122.82%
No. of employees**	34,357	39,815	33,910	28,369
No. of branches**	4,810	4,801	4,267	3,296

~Assets under management (AUM) = Loan Book + Off Book$

*$Off Book = Direct Assignment + Co-lending^*

^Co-lending= Business Correspondent (net) + Co-origination

** PPOP excludes gain/loss on Fair value changes*

*** Figures are not in crore.*

 # Return on Assets (ROA) = Profit after tax before Non-Controlling Interest / Average total assets

Return on Equity (ROE) = Profit after tax post non-controlling interest / Average net worth (Excluding non-controlling interest)

###Provision coverage ratio (PCR) = Total Expected Credit Loss Provision / Gross Non-Performing Advances (GNPA)

Our revenue from operations on a consolidated basis grew at a CAGR of 20.62% and on a standalone basis grew at a CAGR of 10.67% over the last three Fiscals.

In Fiscal 2024, our Company's total income, on a consolidated basis, amounted to ₹ 10,490.47 crore as compared to ₹ 8,447.11 crore for the Fiscal 2023 and as compared to ₹ 7,006.28 crore for the Fiscal 2022. Our profit before tax on a consolidated basis for the Fiscal 2024 stood at ₹ 2,571.91 crore as compared to ₹ 2,112.52 crore in Fiscal 2023 as compared to ₹ 1,535.98 crore in Fiscal 2022.

During the Fiscal 2024, our Company's total income, on a standalone basis, amounted to ₹ 4,649.43 crore as compared to ₹ 4,088.69 crore for the Fiscal 2023 and ₹ 4,089.25 crore for the Fiscal 2022. Our profit before tax on a standalone basis for the Fiscal 2024 stood at ₹ 729.98 crore as compared to ₹ 1,042.72 crore in Fiscal 2023 as compared to ₹ 967.37 crore in Fiscal 2022.

Key Operational and Financial Parameters

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis:

(₹ in crore, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Balance Sheet				
Financial Assets	**53,650.02**	**60,959.35**	**51,463.66**	**44,239.05**
Cash and cash equivalents	1,925.36	2,469.87	3,630.67	6,211.64
Bank balance other than cash and cash equivalents	1,856.82	1,775.85	2,208.36	1,945.29
Trade receivables	91.70	102.42	121.43	183.20
Other receivables	-	29.65	151.96	15.80
Loans	44,715.49	50,952.32	40,001.11	33,692.89
Investments	3,839.19	4,058.98	3,511.00	1,192.16
Derivative financial instruments	17.16	157.69	223.58	74.28
Other financial assets	1,204.30	1,412.57	1,615.55	923.79
Non-financial assets	**1,722.39**	**1,461.81**	**1,537.66**	**1,671.13**
Current tax assets (net)	202.84	197.70	239.59	234.17
Deferred tax assets (net)	398.82	151.79	122.67	285.82
Investment property	295.84	295.90	296.04	295.19
Property, plant and equipment	154.05	168.47	176.13	150.52
Capital work-in-progress	58.34	51.83	27.40	5.64
Right to use assets	472.01	436.11	386.60	327.53
Other Intangible assets	4.18	4.68	3.38	2.11
Intangible assets under development	2.08	0.50	-	-
Other non-financial assets	134.23	154.83	272.53	352.60
Non-current assets held for sale	-	-	13.32	17.55
Total assets	**55,372.41**	**62,421.16**	**53,001.32**	**45,910.18**
Liabilities and Equity				
Financial liabilities	**41,298.41**	**50,030.77**	**42,287.33**	**39,223.19**
Derivative financial instruments	16.25	33.53	42.37	164.39
Trade payables	231.13	216.68	197.30	142.43
Other payables	5.17	-	-	9.91
Finance lease obligation	493.15	461.50	413.43	360.68
Debt securities	7,895.22	9,030.34	7,925.30	7,838.08
Borrowings (other than debt securities)	28,692.33	34,123.20	28,476.27	25,319.03
Subordinated Liabilities	2,952.11	3,545.66	3,202.42	2,568.05
Other financial liabilities	1,013.05	2,619.86	2,030.24	2,820.62
Non-financial liabilities	**435.97**	**333.95**	**511.85**	**217.26**
Current tax liabilities (net)	82.22	7.68	45.82	50.21
Provisions	119.31	83.61	84.77	64.11
Deferred tax liabilities (net)	6.03	1.21	0.61	-
Other non-financial liabilities	228.41	241.45	380.65	102.94
Equity (including other equity and non-	13,638.	12,056.44	10,202.14	6,469.73

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
controlling interest)	03			
Total equity and liabilities	**55,372.41**	**62,421.16**	**53,001.32**	**45,910.18**
Profit and Loss				
Total revenue	5,201.98	10,490.47	8,447.11	7,006.28
Revenue from operations	5,185.30	10,249.43	8,258.85	6,836.37
Other income	16.68	241.04	188.26	169.91
Total Expenses	4,318.99	7,918.56	6,334.59	5,470.30
Exceptional Items	586.50	-	-	-
Profit before tax	296.49	2,571.91	2,112.52	1,535.98
Profit after tax	245.09	1,974.22	1,607.55	1,188.25
Other comprehensive income	(6.14)	(17.30)	32.19	9.21
Total comprehensive income	238.95	1,956.92	1,639.74	1,197.46
EPS				
(a) Basic	3.17	46.29	39.49	31.33
(b) Diluted	3.04	45.71	39.18	31.14
Cash Flow				
Net cash (used in)/ generated from operating activities	5,635.89	(5,848.00)	(4,940.56)	1,783.73
Net cash (used in)/ generated from investing activities	(332.28)	(1,356.37)	(2,730.45)	(995.79)
Net cash (used in)/ generated from financing activities	(5,848.12)	6,042.11	5,090.04	2,780.80
Add : Opening cash and cash equivalents as at the beginning of the year	2,469.87	3,632.13	6,211.64	2,642.90
Cash and cash equivalents as at the end of the year	1,925.36	2,469.87	3,630.67	6,211.64
Additional Information				
Net worth excluding minority	11,867.93	10,357.16	8,790.50	6,273.85
Cash and Cash Equivalents	1,925.36	2,469.87	3,630.67	6,211.64
Assets under Management	66,963.51	78,959.88	64,637.64	51,209.79
Off Balance Sheets Assets	22,436.73	28,126.39	24,535.77	17,143.21
Total Debts to Total assets	0.71	0.75	0.75	0.78
Debt Service Coverage Ratios#	N.A	N.A	N.A	N.A
Interest Income	4,790.22	9,838.63	7,369.27	6,194.87
Interest Expense	2,012.74	3,882.91	3,221.83	2,991.00
Provisioning & Write-Offs	(657.89)	(911.29)	(866.13)	(887.48)
Gross NPA (%)	2.35%	2.32%	1.84%	3.15%
Net NPA (%)	1.06%	1.20%	1.08%	1.83%
Tier I Capital Adequacy Ratio (%)*	20.07%	12.56%	12.85%	16.02%
Tier II Capital Adequacy Ratio (%)*	6.18%	6.29%	7.53%	7.83%
CRAR*	**26.26%**	**18.85%**	**20.38%**	**23.85%**

**On standalone basis*

#The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these

ratios are not applicable.

Notes:
Net Worth means share capital plus reserves less non-controlling interest and miscellaneous expenditure to the extent not written off.

The following table sets forth the Key Operational and Financial Parameters on a standalone basis:

(₹ in crore, unless otherwise stated)

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Balance Sheet				
Financial Assets	**21,286.69**	**26,377.65**	**22,756.35**	**21,681.04**
Cash and cash equivalents	492.52	863.92	1,762.39	4,356.94
Bank balance other than cash and cash equivalents	866.09	966.58	1,407.07	1,251.87
Trade receivables	56.71	42.27	66.51	140.54
Other receivables	-	29.65	151.96	15.80
Loans	14,243.68	18,426.84	14,549.34	12,884.05
Investments	5,215.40	5,156.58	3,779.69	2,448.85
Derivative financial instruments	12.79	157.69	172.37	64.41
Other financial assets	399.50	734.12	867.02	518.58
Non-financial assets	**1,443.73**	**1,210.48**	**1,325.99**	**1,455.22**
Current tax assets (net)	155.91	154.05	225.77	227.02
Deferred tax assets (net)	323.10	75.92	31.80	158.50
Investment property	293.70	293.70	293.70	288.51
Property, plant and equipment	119.41	132.35	147.79	134.82
Capital work-in-progress	58.34	51.83	27.40	5.64
Right to use assets	382.15	363.98	328.23	297.25
Other intangible assets	3.43	4.12	2.95	1.92
Intangible assets under development	1.90	0.17	-	-
Other non-financial assets	105.79	134.36	260.50	333.72
Non-current assets held for sale	-	-	7.85	7.84
Total assets	**22,730.42**	**27,588.13**	**24,082.34**	**23,136.26**
Liabilities and Equity				
Financial liabilities	**16,100.83**	**21,860.48**	**18,793.56**	**18,603.64**
Derivative financial instruments	16.25	30.92	33.14	149.46
Trade payables	163.18	140.33	133.38	86.17
Other payables	5.17	-	-	9.91
Finance lease obligation	397.14	382.13	352.22	327.62
Debt securities	3,134.20	4,340.46	5,194.09	5,105.28
Borrowings (other than debt securities)	10,437.71	13,966.67	10,526.89	9,771.07
Subordinated Liabilities	1,623.82	1,703.77	1,659.51	1,369.64
Other financial liabilities	323.36	1,296.20	894.33	1,784.49
Non-financial liabilities	**201.64**	**131.74**	**173.87**	**105.72**
Current tax liabilities (net)	61.52	2.83	29.63	18.44
Provisions	59.46	38.82	51.26	41.38
Deferred tax liabilities (net)	-	-	-	-

Parameters	As at six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Other non-financial liabilities	80.66	90.09	92.98	45.90
Equity (including other equity)	6,427.95	5,595.91	5,114.91	4,426.90
Total equity and liabilities	**22,730.42**	**27,588.13**	**24,082.34**	**23,136.26**
Profit and Loss				
Total revenue	2.018.86	4,649.43	4,088.69	4,089.25
From operations	2,011.19	4,604.43	4,058.18	4,062.31
Other income	7.67	45.00	30.51	26.94
Total Expenses	2,054.30	3,919.45	3,045.97	3,121.88
Exceptional Items	586.50	-	-	-
Profit/(Loss) before tax/	(621.94)	729.98	1,042.72	967.37
Profit/(Loss) after tax	(463.96)	584.78	805.49	745.48
Other comprehensive income	(7.03)	(7.94)	20.82	(9.85)
Total comprehensive income	(470.99)	576.84	826.31	735.63
EPS				
(a) Basic	(11.28)	15.35	21.20	19.66
(b) Diluted	(11.28)	15.16	21.04	19.54
Cash Flow				
Net cash (used in)/ generated from operating activities	3,698.90	(1,556.27)	(2,080.52)	3,556.26
Net cash (used in)/ generated from investing activities	(473.68)	(2,054.93)	(1,384.03)	(927.14)
Net cash (used in)/ generated from financing activities	(3,596.62)	2,711.25	870.00	(324.05)
Add : Opening cash and cash equivalents as at the beginning of the year	863.92	1,763.87	4,356.94	2,051.87
Cash and cash equivalents as at the end of the year	492.52	863.92	1,762.39	4,356.94
Additional Information				
Net worth	6,328.23	5,468.93	5,033.68	4,337.40
Cash and Cash Equivalents	492.52	863.92	1,762.39	4,356.94
Assets under Management	17,381.96	29,250.05	25,573.46	21,108.58
Off Balance Sheets Assets	3,503.96	11,407.55	11,525.57	8,483.51
Total Debts to Total assets	0.67	0.73	0.72	0.70
Interest Income	1,799.37	4,348.34	3,468.42	3,563.81
Interest Expense	832.77	1,717.21	1,455.96	1,615.61
Provisioning & Write-Offs	(242.11)	(378.71)	(285.53)	(499.55)
Gross NPA (%)	2.93%	3.66%	1.29%	2.90%
Net NPA (%)	1.32%	1.90%	0.64%	1.63%
Tier I Capital Adequacy Ratio (%)	20.07%	12.56%	12.85%	16.02%
Tier II Capital Adequacy Ratio (%)	6.18%	6.29%	7.53%	7.83%
CRAR	26.26%	18.85%	20.38%	23.85%

Notes:

Networth means share capital plus reserves less miscellaneous expenditure to the extent not written off.

We have maintained our asset quality over the years, which is reflected in our levels of NPAs (gross and net). The NPAs as a percentage of our consolidated Loan Book is as set out below:

Financial Year/Period	Gross NPA	Net NPA
Six months period ended September 30, 2024	2.35%	1.06%
March 31, 2024	2.32%	1.20%
March 31, 2023	1.84%	1.08%
March 31, 2022	3.15%	1.83%

Segment wise GNPA on a consolidated basis:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Home Loan	1.25%	1.19%	1.92%	2.60%
Loan against Property	3.52%	2.68%	3.21%	4.79%
Gold Loans	2.40%	3.83%	0.80%	0.90%
MSME Financing	3.29%	3.47%	3.07%	8.43%
Microfinance	3.43%	1.91%	2.12%	3.87%
Construction & Real Estate Finance	1.47%	3.15%	0.39%	4.25%
Capital Market Financing	0.00%	0.00%	0.00%	0.00%

Segment wise GNPA on a standalone basis:

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Home Loan	0.00%	0.00%	0.00%	0.00%
Loan against Property	4.41%	2.42%	0.00%	0.00%
Gold Loans	2.40%	3.83%	0.80%	0.90%
MSME Financing	3.29%	3.47%	3.07%	8.43%
Microfinance	0.00%	0.00%	0.00%	0.00%
Construction & Real Estate Finance	3.25%	5.59%	0.55%	5.23%
Capital Market Financing	0.00%	0.00%	0.00%	0.00%

The following table sets forth details of our non-performing assets and provisions as at September 30, 2024, March 31, 2024, 2023 and 2022 on a consolidated basis:

(₹ in crore, unless stated otherwise)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Loan Book*	44,526.78	50,833.49	40,101.87	34,066.58
GNPA	1,046.70	1,181.43	738.14	1,074.29
GNPA as % of Loan Book	2.35%	2.32%	1.84%	3.15%

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Provision against NPA	581.36	580.37	304.50	452.15
NNPA	465.35	601.05	433.64	622.15
NNPA as % of Loan Book	1.06%	1.20%	1.08%	1.83%
Provision towards Standard assets	841.44	653.42	930.05	867.25
PCR % - Specific provision	55.54%	49. 06%	41.25%	42.09%
PCR % - Overall provision	135.93%	104.43%	167.25%	122.82%

** Loan Book = Loan assets under management (AUM) - Off Book#*
*#Off Book = Direct Assignment + Co-lending^*
^Co-lending includes Business Correspondent (net) + Co-origination

The following table sets forth details of our non-performing assets and provisions as at September 30, 2024, March 31, 2024, 2023 and 2022 on a standalone basis:

(₹ in crore, unless stated otherwis

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Loan Book*	13,878.00	17,842.49	14,047.88	12,625.07
GNPA	406.76	653.24	181.33	366.45
GNPA as % of Loan Book	2.93%	3.66%	1.29%	2.90%
Provision against NPA	226.89	320.24	91.64	160.15
NNPA	179.87	332.99	89.69	206.30
NNPA as % of Loan Book	1.32%	1.90%	0.64%	1.63%
Provision towards Standard assets	401.54	256.11	392.62	404.42
PCR % - Specific provision	55.78%	49.06%	50.54%	43.70%
PCR % - Overall provision	154.50%	88.23%	267.06%	154.06%

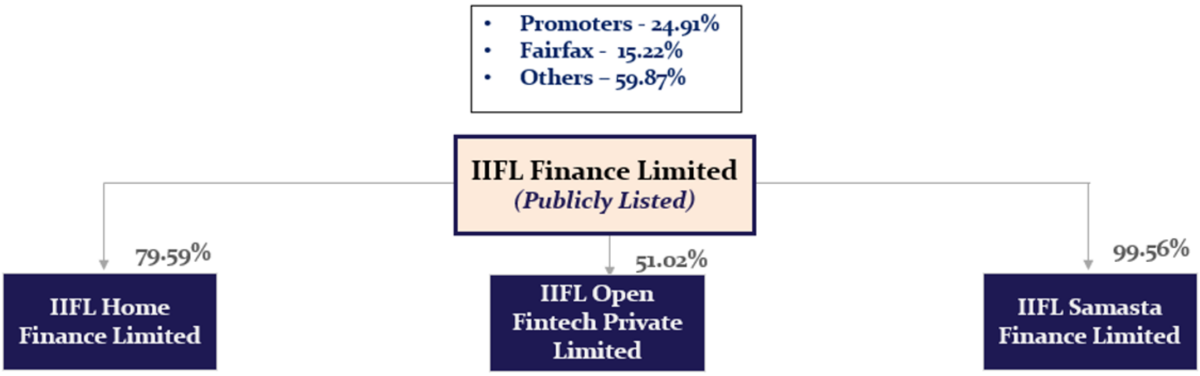
** Loan Book = Loan assets under management (AUM) - Off Book#*
*#Off Book = Direct Assignment + Co-lending^*
^Co-lending includes Business Correspondent (net) + Co-origination

We are subject to capital adequacy ratio ("**CAR**") requirements prescribed by RBI. We are currently required to maintain a minimum of 15% as prescribed under the Prudential Norms of RBI based on our total capital to risk weighted assets. As part of our governance policy, we ordinarily maintain capital adequacy higher than statutorily prescribed CAR. As of September 30, 2024, our capital adequacy ratio computed on the basis of applicable RBI requirement was 26.26% as compared to a minimum of capital adequacy requirement of 15% stipulated by RBI.

Set forth below is our capital adequacy ratio for the six month period ended September 30, 2024, last three Fiscals on a standalone basis:

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Capital Adequacy Ratio	26.26%	18.85%	20.38%	23.85%
Tier I Capital	20.07%	12.56%	12.85%	16.02%
Tier II Capital	6.18%	6.29%	7.53%	7.83%

*Corporate Structure**



** Based on Equity shareholding as on September 30, 2024*

Our Strengths

We believe that the following are our key strengths:

Diversified product portfolio catering to a wide customer base

Our Company aims at promoting inclusive growth and with a wide variety of loan products including home loans, loans against property, gold loans, construction and real estate finance, capital market financing, MSME financing and micro finance, caters to all types of customers in the country – salaried, self-employed, informal sector, HNIs and corporates. As on September 30, 2024, our overall portfolio comprises 43.48% home loans, 12.70% loan against property, 16.12% gold loans, 8.09% MSME financing, 16.89% microfinance, 2.15% construction and real estate finance and 0.57% capital market financing. Further, as on March 31, 2024, our portfolio composition included 34.75% home loans, 10.90% loan against property, 29.58% gold loans, 5.45% MSME financing, 16.58% microfinance, 2.35% construction and real estate finance and 0.39% capital market financing. We have a widespread network of branches spanning the length and breadth of the country which facilitates servicing a broad customer base while reducing dependency on a single or small number of regions. Our branch network also helps us adopt best practices developed in a region across all our branches. We provide multiple products from our branches thereby providing better accessibility to clients, reducing operating costs and improving total sales.

Strong asset quality with consistent low level of NPAs

The quality of our loan portfolio is reflected in the consistent low level of NPAs. We believe that our robust credit approval mechanisms, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan portfolio. We have in place product specific lending policies, credit approval committees and regular monitoring of exposures. We routinely monitor credit risk, risk concentration and compliance with board approved policies. Credit monitoring for retail products is undertaken at portfolio level wherein risk assessment is undertaken on various parameters like demographics, sector, geography, etc. As part of the credit assessment, we analyze past financial information, applicant's business performance/earnings history to assess their ability to repay loans. In addition to document verification and credit bureau reports, we conduct site verifications, interviews, as well as market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. For institutional borrowers, additional assessment is undertaken on parameters of viability of business, credit history, and reputation and experience of the relevant promoters/founders/management of the organization. Additionally, as on September 30, 2024, 67.74% of our consolidated Loan Book is secured with adequate collaterals which helps mitigate risks further.

As on March 31, 2024, on a consolidated basis, our Net NPA constituted 1.20% of our consolidated loan book, as compared to 1.08% of our consolidated Loan Book as on March 31, 2023 and 1.83% of our loan book as on March 31, 2022. As on March 31, 2024, on a consolidated basis, our Gross NPA constituted 2.32% of our Loan Book, as compared to 1.84% of our Loan Book as on March 31, 2023 and 3.15% of our Loan Book as on March 31, 2022. Total provisions coverage ratio (including Stage 1 and Stage 2 provisions (as defined hereinafter) for Fiscal 2024 on a consolidated basis is 104.43%. Our specific provision coverage ratio is 49.06% of gross NPAs as on March 31, 2024.

Diversified funding sources and strong credit profile

Our funding requirements are currently predominantly sourced through term loans from banks, issue of secured and subordinated redeemable non-convertible debentures on public and private placement basis, refinance from various India financial institutions, securitization and direct assignment of our retail portfolio of loans with sufficient availability of working capital facilities from banks. We have access to funds from multiple classes of credit providers, including public sector banks, private commercial banks, other financial institutions, pension and provident funds, mutual funds, foreign institutional investors and domestic retail investors. Through our stable, long-term relationships with our lenders, we have been able to borrow from a range of sources at competitive rates and have maintained adequate liquidity to meet our borrowing obligations and fund our growth, keeping a margin of safety.

In relation to our long-term debt instruments, we currently have long term ratings of 'AA/Stable' from CRISIL (earlier rated as AA/ Watch developing) on September 30, 2024, 'IND AA/ Rating Watch with Negative Implications' from India Rating on September 9, 2024, 'AA;Stable' from ICRA (earlier rated as AA; Rating Watch with Negative Implications) on September 24, 2024.

Fitch Ratings has put our Company's long-term issuer default rating (IDR) and medium-term note programme at 'B+' with stable outlook on IDR, removed form 'Rating Watch Negative' on November 4, 2024. Further Brickwork Ratings has given our Company a rating of 'BWR AA+/Stable' (earlier rated as 'BWR AA+/ Rating Watch with Negative Implications') for our non-convertible debentures, on September 30, 2024.

In relation to our short-term debt instruments, we currently have short term rating of A1+ from CRISIL and ICRA on September 30, 2024 and September 24, 2024, respectively.

Our financing requirements have historically been met from a variety of sources including 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 ₹ 15,195.73 crores, ₹ 20.010.90 crores, ₹ 17,380.49 crores and ₹ 16,245.99 crores, 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.	Term Loans - (A)	10,437.71	68.69%	13,832.77	69.13%	9,966.79	57.34%	7,793.65	47.97%
B.	Debt Securities - Secured - (B)	3,134.20	20.63%	3,501.44	17.50%	5,194.09	29.88%	5,105.28	31.42%

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	%
C.	Securitisation Liability - (C)	-	-	133.90	0.67%	560.10	3.22%	1,977.42	12.17%
D.	Subordinated liabilities - (D)	1,623.82	10.69%	1,703.77	8.51%	1,659.51	9.55%	1,369.64	8.43%
E.	Commercial Paper - (E)	-	-	839.02	4.19%	-	-	-	-
	Total (A+B+C+D+E)	**15,195.73**	**100.00%**	**20,010.90**	**100.00%**	**17,380.49**	**100.00%**	**16,245.99**	**100.00%**

Set forth below is our average cost of borrowing for the six months period ended September 30, 2024 and last three fiscal years on a consolidated basis:

Year	September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Average cost of borrowing	9.13%	9.08%	8.75%	8.52%

Robust systems with a strong focus on digitization

We believe our well-defined business processes ensure efficient achievement of organisational tasks and in turn effective service to our customers. Our robust credit approval and credit control processes, centralized operations unit, independent audit unit for checking compliance with the prescribed policies, and risk management processes and policies provide for multiple checks and verifications for both legal and technical parameters. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimize delinquencies and maximize recoveries.

Further, we have a strong focus on digitization across all organizational functions and believe technology is a business enabler for our Company. Our technology driven processes aid in product innovation, reduced turnaround times, cost optimization and superior customer experience thereby creating balanced scalable growth models. We are incrementally leveraging technology to streamline processes across the loan lifecycle including sourcing and on-boarding, underwriting, administration, monitoring and collection in order to further improve turnaround times, enhance the quality of service provided to customers as well as achieve a higher degree of productivity within the organization. We believe technology driven processes will facilitate us to respond to market opportunities and challenges swiftly, help monitor process and performance, and improve our risk management capabilities.

We believe that our end-to-end digitized processes in all the products, robust loan management system and strong analytics abilities offer us a significant competitive advantage. Our systems have the capability of end to end customer data capture, computation of income, margin monitoring, collateral data capture, and repayment management. Our loan approval is controlled by the loan application system. Our systems are customised for our services and help us reduce turnaround time and enhance our processes and operational excellence. Our systems fully integrate businesses in every aspect bringing together various departments in simple transitions and customer information updates. Continuous enhancement of our technology capabilities allows us better informed decision making and faster execution along with strong internal control mechanisms.

We have completely digitized our business loans journey, right from customer on-boarding to underwriting, disbursements and collections. We are collaborating with the fintech ecosystem to further enhance our platform and customer experience. With these strong partnerships, we intend to co-create solutions for enhanced experience in MSME lending. We have both app based and WhatsApp journeys available for paperless instant unsecured business loans. We have enabled digital top-up to retain quality customers in home loan and secured MSME loan, wherein the entire journey is paperless – communication for accepting sanction letter and e-agreement is sent to eligible customers sent *via* SMS. The disbursement is automatic with no manual intervention.

Strong physical and digital footprint

A strong physical as well as digital footprint is very important in our business, as it increases reach and access to customers. Physical presence is required in the gold and micro finance business whereas a digital identity provides wider access in the home, personal and MSME loan categories. We have steadily expanded our branches over time and have 4,810 branches as of September 30, 2024. Our widespread branch network enhances the brand equity and enriches customer experience. Our branch network is well spread across Tier I/II and Tier III cities across the country, effectively providing credit to the underserved segments of customers in these areas. Our microfinance branches are well entrenched in rural and semi-urban areas as well, effectively serving the relevant customer segment with 1,645 dedicated microfinance branches, as on September 30, 2024. In line with our strategy to achieve greater digitization in the organisation and considering the ever-increasing penetration of internet and mobile services in the country, we also have in place advanced technology led systems for loan applications through our website and portable tablet-based applications. This caters to the growing section of population which prefers or is incrementally relying on digital channels to access services. Our cross-country branch presence coupled with well-developed digital infrastructure gives us a widespread presence across channels and enables us to access and service a diverse customer base and their multiple credit requirements.

Well established brand along with a strong and experienced management team

'IIFL' is a well-established brand among retail, institutional and corporate clientele in India. We believe we have benefited extensively from the Promoters' experience in the financial services industry to develop deep understanding of the market and related opportunities, gauge customer expectations and design suitable products for our target customer base.

We derive synergies from our group companies and are able to leverage it for competitive advantage. IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* has a vast broker network and relationships with mutual funds, insurance companies etc. We also have a referral agreement with an entity forming part of our group, engaged in the business of healthcare and wellness solutions and online tele-consultation services through their empanelled doctors. Our company's wide branch network in turn offers reach and brand recognition, we are able to provide capital market funding to clients of IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*. All our group company transactions are strictly done on arms-length basis.

We are led by qualified and experienced Board of Directors and key managerial personnel. The Board comprises 9 (nine) directors with significant experience in the banking and finance sector. The members of 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 segment.

Our Strategies

Our key strategy is to steadily grow high quality, diversified retail assets focusing on under-banked segments, with effective risk management and cost optimization through well-defined processes and leveraging technology. Key elements of our strategy are:

Address growing financial needs in under-served markets

With a significant portion of population still being outside the reach of the formal credit system, our Company believes in contributing to bridging the credit gap in the country. We aim to efficiently and effectively provide credit to the underserved segment of customers and our diversified offerings have been built on a sound understanding of customer needs. With our widespread branch network, retail focus and a product suite catering to all classes of customers, we aim to contribute to financial inclusion in the country.

Build capacity and grow customer base through retail focus and geographic expansion

We are focused on high growth, dispersed risk- retail lending. We have innovatively designed our product and distribution strategies to fulfil our clients' credit requirements. Our product portfolio caters to all segments of customers – salaried, self-employed, informal sector, HNIs and corporates. We seek to further increase our presence in retail segments including home loans, gold loans, MSME and micro financing with an aim to capitalize on the opportunity arising from underserved customer segments as well as provide scale and diversify the risk across industries and collaterals.

We intend to utilize our extensive branch network to access a larger customer base and plan to expand our network as relevant with the aim of achieving deeper penetration in existing products and regions as well as tap new, lucrative markets. While assessing a potential branch site, we analyse the local market and proximity to target customers with the objective of providing ease of access to customers as well as enhancing brand visibility for the Company. Our diversification and expansion strategy aims to adapt to a constantly changing digital milieu, and thereby seize growth opportunities whilst remaining cognizant to associated risks to our value chain.

Achieve superior performance with further strengthening our operating processes and risk management system

We are focused on building a process driven organization with a culture of compliance, audit and risk management. Operations excellence and risk management forms an integral part of our business. Our processes have been standardized with the objective of providing high levels of service quality and we have implemented high levels of digitization in our operational processes which contribute to faster turnaround times with lesser incidence and occurrence of errors.

Our risk management procedures are integrated seamlessly across our business operations and ensure constant measurement and monitoring of various risks we are subject to. The risk management model involves initial management control at business entity level, risk control and compliance oversight functions and overall independent audit and assurance functions. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business.

Continue to invest in digitization and technology which will reduce cost and improve efficiency

As retail lending needs a high degree of operational excellence and automation to reduce turnaround time, we have our own proprietary system for loan processing and booking. Our loan application system has been built in-house by leveraging the expertise of the business and technology teams. We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our technological capabilities to support our growth and improve the quality of our services.

Ensure effective asset-liability management, diversify borrowing sources and strengthen our credit profile

The Company has in place Risk Management Committee and Asset Liability Management Committee ("**ALCO**"), consisting of Directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. Since our Company is a non-deposit taking NBFC and has a varied product mix of lending portfolio resulting into maturities of loans in different time buckets, efforts are made to match the maturity of liabilities with those of the assets and minimize the asset liability mismatch. We monitor liquidity risk through our ALCO Committee with the help of fortnightly and monthly liquidity and Asset Liability mismatch reviews. This involves the categorisation of all assets and liabilities in different maturity buckets and evaluating them for any mismatches in any particular maturity bucket, especially in the short-term. The ALM Policy has capped the maximum mismatches in the various maturities in line with RBI guidelines.

We secure funding from a variety of sources to meet our capital requirements. We believe that we have been able to access cost-effective debt financing and reduced our average cost of borrowings over the years due to several factors, including our financial performance and credit ratings. We will continue to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity and concentration risks. We believe we will continue to improve our credit ratings and thereby access a greater pool of diversified funding sources.

Details of transactions undertaken by our Company in six months period ended September 30, 2024 and in the last three financial years

(₹ in crore, unless otherwise stated)

Sr. No.	Particulars	As at September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1.	No. of Accounts /Pool	-	25,226	-	299,960
2.	Total book value of loan assets	-	308.33	-	1,682.00
3.	Sale Consideration Received	-	308.33	-	1,682.00

Details of Assignment transactions undertaken by our Company in six months period ended September 30, 2024 and in the last three financial years

(₹ in crore, unless otherwise stated)

Sr. No.	Particulars	As at September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1.	No. of Accounts /Pool	4,968	9,32,133	11,10,696	11,87,478
2.	Total book value of loan assets	277.07	9,029.31	10,063.15	8,706.63
3.	Sale Consideration Received	277.07	9,029.31	10,063.15	8,706.63

Capital Optimized Value Innovation Driven strategy

Our business strategy is centered around a capital optimized value innovation driven strategy. Banks have a strong capital base and risk appetite whereas we have access to customers and advanced niche underwriting skills. Working together will turn into a win-win approach wherein banks profitably expand their retail and priority loan assets and we are able to leverage our capital resources more effectively. We have entered into Co-lending agreements with various banks for gold loans, home loan and secured MSME loan. Assets transferred to banks through co-lending constitute 12.68% of AUM and 33.51% of off-book loan assets as on September 30, 2024.

Our Company has partnered with several fintech players to collaborate and build innovative strategies to digitally source and underwrite. Our Company has also formed a joint venture with SME-focused neo-banking platform to establish a neobank that would cater to micro and small businesses' banking and credit needs and retail customers including lending, investment, and wealth management services.

We are uniquely placed to source, service & collect due to our vast branch network strong online presence and proprietary technology and large base of existing customers coupled with a culture of innovation.

Our Products and Services

We operate in the following lines of business: (i) home loan; (ii) gold loan; (iii) micro finance; (iv) construction and real estate finance; (v) capital market finance; (vi) loan against property; and (vii) MSME financing.

Details of each product, originations, operations, underwriting policies and risk management are given below

Home Loans

Home loans include finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes and for acquiring plots of land (which are intended to be used for construction of houses). Pricing of retail home loans is driven by the risk profile of the borrower, the product and market demand for the product. Loan applications are sourced through direct sourcing and other alternate channels. These loans are mortgage-backed secured loans. Home loans are secured by equitable mortgage or a registered mortgage of the residential property, land, under construction residential/commercial properties and fully constructed properties, as applicable.

As on September 30, 2024, our home loans accounted for 43.48% of the consolidated AUM with an onboarding average ticket size of ₹ 0.16 crore, portfolio yield of 11.09%.

As of March 31, 2024, our home loans accounted for 34.75% of our AUM on a consolidated basis with an average onboarding average ticket size of ₹ 0.13 crores, portfolio yield of 11.00%.

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 the 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 home loans and loan against property 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 more 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.

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.

Risk management

The Company has a dedicated risk management team which works to achieve the below mentioned objectives:

- to identify the various types of risks involved in the business;
- to define the methodology to measure/ quantify the risks;
- to control and mitigate the variety of risks involved in business;
- to specify the risk tolerance of the Company;
- to ensure regulatory and statutory compliance on risk management and prudential norms;
- to improve the asset quality of the Company by using risk management tools; and
- 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.

Gold loans

We offer loan against gold to small businesses, vendors, traders, farmers and salaried people for their personal needs as well as for short term financial requirements and working capital needs, at competitive rates with a fast turnaround time. We provide a range of schemes for our customers' diverse requirements along with multiple disbursal modes and repayment options.

As at September 30, 2024, gold loans accounted for 16.12% of the consolidated AUM with an onboarding average ticket size of ~ ₹ 1,12,000, with a portfolio yield of 18.50% with a maximum tenor upto 24 months.

As at March 31, 2024, gold loans accounted for 29.58% of the consolidated AUM with an average ticket size of ~ ₹ 85,000 with a portfolio yield of 19.00% with a maximum tenor upto 24 months.

Business origination

We source clients directly at our branches which are conveniently spread across the country to grant ease of access to our diverse customer base, along with sourcing through our website, other online channels, customer referrals and partners. Our sales staff periodically conduct promotional activities and events around the catchment areas to drive visibility and generate leads. The campaigns create awareness on the various schemes on offer and contribute to brand recall. The fulfilment of all gold loan leads sourced are through branches or at customer doorstep.

Once a prospective customer walks into any of our gold branch, the customer care executive in the branch explains the various product schemes on offer and helps in identification of best scheme for the customer based on the current requirement. In case of doorstep service, loan manager explains the scheme on offer based on customer requirement. Upon selection of a suitable scheme by the customer, the customer care executive enters client details and uploads mandatory KYC documents into our in-house loan origination tablet application. This application is equipped to screen customers for earlier defaults, frauds and presence in negative customer list as circulated by concerned regulatory and government bodies from time to time.

Credit policy and controls

Post successful authentication of the mandatory documents, the customer proceeds for valuation where the physical gold is valued independently by an experienced team of valuers. Dual underwriting helps in enhancing controls further. We follow a strong verification process and our officers are certified and trained in asset quality practices.

Our branch staff are trained to observe and/or handle fraudulent customers by observing their behaviour, verifying ownership of the gold and matching the jewellery with customer profile or location. For some of high ticket loans, a secondary evaluation may be required to be conducted by an independent internal auditor. After our branch staff have opened and verified the loan account, the loan is sanctioned/approved by the appropriate authorities. The disbursal is processed post completion of mandatory checks as per our credit policy.

Disbursement

Loans upto ₹10 lakh are approved by branches and adequate due diligence is undertaken for cases above ₹10 lakh. Disbursement generally happens through Cash/RTGS/NEFT/IMPS/UPI/Multimode. Cash disbursements shall be done as per RBI Guidelines DoR.FIN.REC.No.45/03.10.119/2023-24 and in accordance with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961 and the requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable.

Collections and monitoring

We have developed a comprehensive collection mechanism leveraging both technology and on-field branch network. Our collection strategy is centred on important pillars comprising branch staff tele-calling, centralized tele-calling team and legal recovery team.

At the time of loan disbursement, customers are provided with both Digital (Quick Pay and Virtual Account) and cash payment options. Prior to payment due-dates, customers are reminded of their dues in the form of automated SMS reminders and branch staff tele-calling. Customers are also sensitized about the implication of default.

For customers defaulting on payments, collection tele-calling is carried out by our branch staff. Our branch staff are assigned specified number of borrowers and they have the responsibility for ensuring timely collection. We ensure that there is continuous monitoring of all customer accounts, especially for strategic high-ticket cases and adopt various collection strategies (including auction) on a case-to-case basis.

Risk management

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. The gold ornaments pledged with us are kept in a tamper proof packet with its details mentioned on the packet and then placed into a fire and burglary proof vault. The branch is also under centralised electronic surveillance at all times.

We follow mark-to-market process for valuation of the underlying collateral. In the event of drop in gold prices, collection is initiated from the customer to cover the margin. IIFL reserves the right to sell the collateral in the event of fall in prices below prescribed threshold.

Majority of our loans go through an audit process at a transaction level where, apart from a valuation done by independent valuers at the time of loan disbursement, an experienced and trained audit executive re-appraises the pledged jewels to ensure the purity of the gold is the same as mentioned. Basis risk based sampling criteria, gold loan cases are audited by our audit executives, customers' KYC and financing documents are also checked and scrutinised by offsite auditors and additionally, fraud triggers in place are well defined and identify early warning alarms of unusual behaviour and suspicious customers.

Micro finance

In the microfinance segment, we offer credit support to women who have either limited or no access to formal banking channels. We provide financial services to the economically weaker sections of society with an aim to bring microfinance services to the doorstep of the rural and semi-urban BoP (Bottom of Pyramid) families in India. Loans are offered under various categories such as income generation, education, emergency etc. We follow the Grameen Model (also regarded as “JLG” or Joint Liability Group). Through the model, loan is disbursed to each individual in the group, and the group guarantees for each other’s loans.

As of September 30, 2024, the segment accounted for 16.89% of our AUM on a consolidated basis with an onboarding average ticket size of ~₹ 53,000, portfolio yield of 24.52%.

As of March 31, 2024, the segment accounted for 16.58% of our AUM on a consolidated basis with an average ticket size of ~₹ 45,000, portfolio yield of 24.42%.

Business origination

The loan application is sourced by our Company through its customer relationship officers through a centre disbursement model. A pre-group recognition test is conducted for the customers to give complete information on the product, terms and conditions and repayment criteria, along with providing them financial training related to opening of bank accounts, digital repayments etc.

It is ensured that the customers make use of their loans for their enhancement of their income and financial standard. The customer’s residence is also visited by our customer relationship officers.
Once an application is logged into the system, the branch manager performs the group recognition test and visits the residence of the customer and ascertains the identity and residential status of the customer.

Loan Application and acceptance process

The loan application is sourced by our Company through its customer relationship officers through a centre disbursement model. A pre-group recognition test is conducted for the customers to give complete information on the product, terms and conditions and repayment criteria, along with providing them financial training related to opening of bank accounts, digital repayments etc. The following is the eligibility criteria for customers to avail Microfinance loan with the Company:

- The applicant must be within 18-55 years at the time of loan sanctioning for IGL - 1st cycle loans. Applicant must be within 18-60 years at the time of loan sanctioning for IGL - subsequent cycle loans, top up loans and product loans.
- The maximum annual income must be less than ₹ 3,00,000.
- Divorced, widow and unmarried female with more than 35 years at the time of loan application and maximum as per the above policy at the time of loan Sanctioning is eligible for a loan from our Company.
- It is ensured that the customers make use of their loans for their enhancement of their income and financial standard. The customer’s residence is also visited by our customer relationship officers. Once an application is logged into the system, the branch manager performs the group recognition test and visits the residence of the customer and ascertains the identity and residential status of the customer.

Loan Repayment Process

The NACH mandate is collected from the customer as per standard norms. If the business team is unable to collect the NACH in time, they may be allowed to use the PDC cheque or cash collection only for the first instalment. This time frame shall be utilised by the team for enabling the collection through NACH

Credit policy and controls

We require each member seeking a loan from us to submit an application in the centre meeting that is managed by our customer relationship officers. Once complete, a new loan application is only accepted at a group meeting if the majority of members in a group are present. Once we have accepted the loan application, we review the information provided by the member on items such as the purpose of the loan, the amount, and the relevant expertise of the member in the business, as well as the experience, if any. We also review the previous loan of customers with us as well as other lenders through the credit bureau reports.

A credit check is done mandatorily for all customers through an automated system integrated with the credit bureau. Apart from this, certain parameters are analysed to verify the customer's credit-worthiness and also to ensure they are not overburdened.

We approve new loans based on internal credit approval process and reports from credit bureau.

This approval process comprises of the following steps:

- credit bureau checks;
- consent from the centre/group members;
- customer understanding on company process and policy;
- customer agreement for joint liability conditions; and
- approval of loan application by the branch manager and scrutinising of the customer documents by branch credit manager.

Most of the application and approval mechanism is controlled through the technology so that policy and regulatory aspects are adhered. In addition to this, we do have a maker checker concept at the branch to reduce the errors and to ensure proper control over the laid down process and policies.

The repayment frequency for MFI customers is fortnightly and monthly. Multiple modes of repayment are provided to the customer. The general practice remains that the customer relationship officers visits the center on the center repayment date and collects the EMIs/EFIs in form of cash or online repayment. Our Company is at the forefront of driving digital collection mechanisms through UPI/BBPS and other modes.

Risk management

The initial focus of our loan portfolio management efforts is on our customer relationship officers, who are given primary responsibility for both the issuance of loans and the collection of repayments from our borrowers. They also regularly conduct checks or reviews of our borrowers and the end use of loans.

We regularly monitor defaults in the field and get in touch with the field teams to conduct prompt follow up. Central teams also report the observations to the management and seek guidance for further action to improve collections. In addition, we have an internal audit team, which reports on the exceptions in operational, system and other processes.

We have in place a dedicated risk management team to analyze and identify the risks associated with each line of business and suggest suitable policy and process changes to reduce the identified risks. The identified risks are reported & reviewed in the Product risk management committee on a regular basis and the risks associated with the enterprise as a whole are reported on a quarterly basis through Risk Management Committee to the Board for review.

Code of conduct and Fair Practices Policy as stipulated by the regulator has been adopted and the same is communicated to the field team so as to address any potential reputational risks. A dedicated vigilance team has been constituted which conducts regular screening of branch centers, and customers to identify frauds at an early stage and also to suggest suitable recommendations to prevent frauds.

Construction and Real Estate finance

Construction and Real Estate finance includes loans to developers for construction and development of predominantly affordable residential projects and a small proportion of mixed-use projects. In line with our broader retail strategy, the construction finance vertical is an enabler for providing retail loans under the approved project route, the Company has tie-ups with developers for funding the property buyers under the retail home loan category.

As at September 30, 2024, our Construction and Real Estate finance accounted for 2.15% of the consolidated AUM with an onboarding average ticket size of ₹ 20.00 crore, portfolio yield of 16.64%.

As at March 31, 2024, our Construction and Real Estate finance accounted for 2.35% of the consolidated AUM with an onboarding average ticket size of ₹ 6.18 crore, portfolio yield of 16.48%.

Business origination

In the real estate financing business, we endeavour to enter into and maintain a relationship with the client, understanding their business requirement and structuring appropriate mix of construction finance option to the developer. In order to determine demand and supply in a market, we conduct surveys, either directly or through external vendors. We lend largely to residential projects and developers that are not subject to any concentration risks. We have also formulated a prudent lending criteria for borrowers in this segment.

Our sales teams meet with clients for deal origination and receive preliminary information. A name clearance memorandum is generated for the credit committee of the Board and post the committee's deliberation, the borrower may be considered for a loan. Our team then proceeds to collect requisite information and documentation from the prospective customer, prepares a proposal with case details for relevant authorities to review and logs the case into our loan management system for further processing.

Credit policy and controls

The loan application submitted by the sales team is checked for various parameters including the completeness of the application form, relevant KYC documents, etc. A legal and technical assessment by reputed external vendors is initiated to verify the authenticity of the documents, the legal title to the collateral property and its market value. Our credit team also conducts in-person meeting with the prospective customer to gain understanding of their business, revenue streams, expenses and cash management. The credit team then prepares a credit appraisal note which is sent to our sanctioning authority for final approval.

We follow a strict underwriting and risk assessment mechanism for our real estate loan cases, which include the following:

- *Borrower group and promoter profile check*: wherein we check the developers' past and ongoing project details, financial and banking details, debt history and other outstanding loans etc.

- *Project assessment/overview*: wherein, in case of a developed/partially developed project, we check the location, total saleable area, number of units available for sale and the market conditions in the geographic region for assessing demand etc; and in case of a new/under construction project, we check the committed commencement and completion dates, percentage of work done, total cost incurred and projections for the planned duration of the project.

- *Financial performance appraisal*: which involves an in-depth assessment of the financial statements and health of the developer using ratio analysis, sensitivity analysis, credit worthiness assessments and total project cost and expected sales assessments.

- *Collateral/security evaluation by external agencies*: which involves assessment of the external valuation report along with various approvals received by the developer for the project, and the title search report.

- *Cash flow and sensitivity analysis*: wherein cash flows of the project are analysed on the rationale of sales, construction, approvals, contingencies and debt cost assumptions. A sensitivity check is performed to ascertain the project level debt service coverage ratio.

- *Completion of requisite documentation*: Prescribed financing documents and KYC documents are obtained and included in the loan application file.

Disbursement and collection process

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.

Risk management

Our construction and real estate loan application proposals are screened by the senior management and a multi-level committee depending on the loan amount. We seek to mitigate the risk of default by including specific covenants in the financing documentation in addition to our general terms and conditions, on a case-to-case basis.

Our risk management system involves monitoring projects and assessing the facility on a regular basis. Strict project monitoring process post disbursement is followed which includes a quarterly site visit by the technical manager to evaluate technical progress of the project, monitoring of fund transfers, NOC issuances and sales, audit of escrow account, and annual asset quality review. Performance of the portfolio is also regularly reviewed at senior management level and suitable actions are taken either by change in credit policy or by other requisite actions.

Loan against property

Loan against property is availed for working capital requirements, business use, acquisition of new commercial property. These loans are mortgage-backed secured business loans. Pricing of the product is driven by risk profile of borrower and the type of property being funded along with current prevailing property market rates.

As of September 30, 2024, our Loan against property segment accounted for 12.70% of our AUM on a consolidated basis with an onboarding average ticket size of ₹ 0.07 crores, portfolio yield of 19.06%.

As of March 31, 2024, our Loan against property segment accounted for 10.90% of our AUM on a consolidated basis with an onboarding average ticket size of ₹0.08 crores, portfolio yield of 18.85%.

Business origination

We source these loans through multiple channels like direct sales teams (DST), direct sales agents (DSA), website, walk-ins at our branches, and cross sell. Incrementally, most of our low-ticket loan originations are being done using our proprietary portable tablet-based application. Upon lead identification, our sales executives equipped with tablets visit and obtain requisite information including identity and address proof, business financials, bank statements and income tax returns. The application is entrenched with basic credit appraisal checks using analytical tools which analyses the basic data obtained from customer. Upon preliminary assessment of basic parameters, an instant in-principle approval for the loan application is granted. For cases where additional details are necessary to be assessed, the DSA/DSTs collect all requisite documents as per policy norms and submit to credit appraisal teams for assessment. Our on-field presence provides greater convenience to our customers and increases access to customers for the Company without incurring additional operational costs.

Credit policy and controls

For all our products, the credit policy is approved by the Board of Directors, senior management members, risk and audit committees.

We undertake digital underwriting for small ticket loan borrowers where logical policy checks and underwriting rule engines are in- built in the tablet-based loan application as well as in the Loan Processing System. In most cases the digital underwriting process is sufficient to assess eligibility of a prospective borrower and provide instant credit decision. For appraisal of applications of big-ticket customers, multiple document checks, financial and credit history and risk control checks are carried out and assessment is conducted/considered by various credit committees and at the board level, depending on the value of the transaction. Senior members of the credit teams are empowered at the local level to take credit decisions. Credit team members are authorized to underwrite and approve the cases depending on the value of the transaction and assigned approval authority.

In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters such as past repayment history, income source, KYC and business profile. Credit underwriting is done as specified in the credit control policies and procedures manual.

The credit appraisal process is summarized as follows:

- Bureau Credit score is the gatekeeper for accepting a loan application. If score parameters defined in policy are met, then the case is logged in for further processing.
- Various checks are performed on the documents provided by the borrower to assess genuineness. These checks are done through an independent fraud control unit.
- Depending on the loan size, our loan officers either connect digitally or meet the borrowers at their business premises and carry out a personal discussion.
- A credit and financial background check on each borrower is mandatorily conducted.
- For collateralized loans, we conduct legal and technical evaluation of the offered security. We have empanelled professionally qualified legal vendors and valuation agencies to carry out security evaluation for us. These vendors are supervised by our professionally qualified, independent legal and technical teams.

In addition to the aforesaid, we have empanelled experienced and qualified vendors and agencies to carry out customer profile evaluation for us. These vendors are supervised by our independent credit and fraud control team.

Risk management

Our robust risk management procedures include monthly portfolio quality reports 'analysis and portfolio performance review TTD (Through-The-Door) population monitoring based these reports. We generate, analyse and review extensive MIS reports which are broken down by multiple segments (sourcing channels, salaried/ self- employed etc.) in order to better understand each segment we are active in, logically analyse performance trends and mitigate potential/perceived risks in the portfolio by way of modification in credit policy or other measures as relevant.

MSME Financing

In the micro, small and medium and enterprise financing segment (MSME), we provide working capital finance to small business owners. We provide small ticket loans, thereby being able to meet the needs of small scale businesses including standalone shops etc. This product helps facilitate customers having little or no access to banking channels, for loans, capital essential to keep their business running, and provides support to the plethora of micro and small-scale enterprises that are crucial to India's economy. We use a combination of online direct sourcing channels, direct sales force, digital partners and direct selling agents for our sourcing. The pricing is driven by the risk profile of the borrower, the product and the market demand.

As of September 30, 2024, our MSME financing segment accounted for 8.09% of our AUM on a consolidated basis with an onboarding average ticket size of ₹0.06crores, portfolio yield of 20.86%.

As of March 31, 2024, our MSME financing segment accounted for 5.45% of our AUM on a consolidated basis with an onboarding average ticket size of ₹ 0.04 crores, portfolio yield of 21.90%.

Business Origination

Business loan facilities are extended to entities with profitable business operations for certain pre-defined period as a mandatory criterion.

We source these loans through multiple channels like Web/Mobile app, Whatsapp, digital partners, direct sales teams (DST), direct sales agents (DSA), walk-ins at our branches, and cross sell. For most of our low-ticket loans, originations are being done using our proprietary web/mobile/whatsapp loan platform. Though this platform, loans are sourced and disbursed end to end digitally. The user can enter key details including identity and address proof, business financials, bank statements and income tax returns which are then used to fetch all necessary documents from authentic sources. The authenticated documents are then fed into the underwriting rule engine to provide a soft sanction to the applicant. Upon preliminary assessment of basic parameters, an instant in-principle approval for the loan application is granted. For cases where additional details are necessary to be assessed, the DSA/DSTs collect all requisite documents as per policy norms and submit to central credit appraisal teams for assessment.

Credit policy and controls

For all our products, the credit policy is approved by the Board of Directors, senior management members, risk and audit committees.

We undertake digital underwriting for small ticket loan borrowers where logical policy checks and underwriting rule engines are in- built in the tablet-based loan application as well as in the Loan Processing System. In most cases the digital underwriting process is sufficient to assess eligibility of a prospective borrower and provide instant credit decision. For appraisal of applications of big-ticket customers, multiple document checks, financial and credit history and risk control checks are carried out and assessment is conducted/considered by various credit committees and at the board level, depending on the value of the transaction. Senior members of the credit teams are empowered at the local level to take credit decisions. Credit team members are authorized to underwrite and approve the cases depending on the value of the transaction and assigned approval authority.

In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated on the prescribed parameters such as past repayment history, income source, KYC and business profile. Credit underwriting is done as specified in the credit control policies and procedures manual.

The credit appraisal process is summarized as follows:

- Bureau Credit score is the gatekeeper for accepting a loan application. If score parameters defined in policy are met, then the case is logged in for further processing.
- Various checks are performed on the documents provided by the borrower to assess genuineness. These checks are done through an independent fraud control unit.
- Depending on the loan size, our loan officers either connect digitally or meet the borrowers at their business premises and carry out a personal discussion.
- A credit and financial background check on each borrower is mandatorily conducted.
- For collateralized loans, we conduct legal and technical evaluation of the offered security. We have empanelled professionally qualified legal vendors and valuation agencies to carry out security evaluation for us. These vendors are supervised by our professionally qualified, independent legal and technical teams.

In addition to the aforesaid, we have empanelled experienced and qualified vendors and agencies to carry out customer profile evaluation for us. These vendors are supervised by our independent credit and fraud control team.

Disbursement and collection process

Disbursement process:

Our operations team is responsible for managing loan disbursements, ensuring timely and accurate processing, and overseeing loan disbursement. It includes verification of various documents like KYC, Business documents, banking and payment to respective customer. The Operations team ensuring adherence to internal policy, regulatory and compliance parameters through pre-defined checklist.

Collection process:

IIFL Finance has a strong collections team. All members of the collection team have a good amount of prior collection experience with different banking and finance organizations and all members are exposed to Unsecured, Digital lending (including products like personal loan, business loan, SME products) and Supply chain. The team is spread all across the country in multiple locations and receives regular training on best standard practices and regulation regarding collection. Our loan collection and monitoring is fully digitized and we use digital communication channels for monitoring our loans. Our in-house collection team comprises 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. Recovery actions are initiated immediately as and when the customer defaults. The degree of engagement increases with an increase in the 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 the system. Collection Manager also uses our multiple online payment collection channels to reduce physical cash collection activities. For difficult to recover cases, we have a related legal process initiated in parallel to field visits to assist our agents collect customers' outstanding.

In terms of physical coverage, we have strategically placed our team in regions where we have higher loan exposure and delinquent cases. Currently our in-house Team is covering more than 11,000 pincodes. For monitoring collection efficiency, we have divided our loan exposure across multiple collection zones and each zone is headed by a Zonal Collection Manager and under him, there are Regional/Area Managers and Agency Managers who manage collection agencies and field executives in their zone. Further to strengthen our collection initiatives, we have empanelled reputed collection agencies based on their local collection strength and preference to empanelment of collection agency is given to those agencies who had earlier exposure of collection for similar products.

Risk Management

Our robust risk management procedures include monthly portfolio quality reports 'analysis and portfolio performance review TTD (Through-The-Door) population monitoring based these reports. We generate, analyse and review extensive MIS reports which are broken down by multiple segments (sourcing channels, salaried/ self- employed etc.) in order to better understand each segment we are active in, logically analyse performance trends and mitigate potential/perceived risks in the portfolio by way of modification in credit policy or other measures as relevant.

Capital Market Finance

Our capital market finance products are short term loans secured by pledge of listed equity shares, vested ESOPs, equity and debt mutual fund units, bonds, debentures and collateral as approved by the credit policy ("**Approved Securities**"). In case of IPO financing, margins are dependent on over subscription of the issue.

As at March 31, 2024, our capital market finance accounted for 0.39% of our AUM on a consolidated basis with an average ticket size of ₹ 1.06 crore, portfolio yield of 12.12%. Capital market finance includes loan against shares, mutual fund units, debentures etc., IPO financing and ESOP financing.

Business origination

In our loan against security product we offer an opportunity to borrowers generally HNIs, corporates, private trusts, HUFs, limited liability partnership firms etc. to monetise their investments (listed equity shares, mutual fund units, bonds, debentures etc.) in order to raise capital for their personal, investments, or business financing needs. The shares or securities are generally very liquid, from high quality companies, and highly valued securities. The amount depends on valuation of the shares, margin allowed by the company, and client's past credit history.

The origination/sourcing team is our group wealth and broking entities which directly meets with clients for deal origination and receives preliminary information.

Credit policy and controls

A proper due diligence is conducted on the profile of the borrower and collateral offered for the loan, keeping in mind the concentration risk involved against the funding of the particular security at borrower level as well as entity level. The eligibility criteria for loan are very stringent with regards to borrower profile and nature of the security. The proposals are presented to the credit committee who decides on the final eligibility of a particular client before sanctioning the loan.

Upon sourcing a customer and obtaining a loan application along with the relevant documentation, the relationship officers fill in the case details on the online loan management portal or in hard copy format and hand over the documents and credit appraisal note to a credit officer. Thereafter, credit bureau checks and other relevant checks like watchout investor, google search, SEBI search etc. are conducted to identify any fraudulent activity at an early stage by our credit team. A credit bureau report is then generated where the credit score of the applicant is reviewed along with a track record of loan repayments, where relevant.

The loan application is checked by our internal audit team for various parameters including the completeness of the application form, relevant KYC documents, and income proofs, where applicable. Upon the receipt of security documents, which are to be used as collateral, the disbursement officer initiates a legal and technical assessment, to verify the authenticity of the collateral, the legal title to the collateral and its market value. A personal discussion is conducted by our credit managers over the telephone as well as through in-person meetings at the customer's house or place of business to understand their business, revenue streams, expenses etc., and based on income validations, determine their loan eligibility.

The credit risk team sends documents to the credit committee or sanctioning authority for final approval. We use a risk based pricing matrix to determine the interest rate to be charged for different loans. We seek to mitigate the risk of default by including specific covenants in the financing documentation in addition to our general terms and conditions, on a case-by-case basis.

We have implemented a robust process of credit assessment comprising:

- *Underwriting*: We have a credit team comprising credit managers and disbursement officers who conduct an independent verification of customers, evaluate their securities, and analyse their ability to repay loans;

- *Legal assessments*: We conduct legal assessments through our in-house team of lawyers and by engaging external vendors who help us perform functions such as the verification of documents and title to securities;

- *Technical assessments*: We conduct technical assessments through our in-house team of internal audit and by engaging external vendors who help us perform functions such as conducting valuation of collateral and the periodical review of overall portfolio; and

- *Risk Control Unit*: Our risk containment unit conducts credit bureau checks, security checks, scrutinizes documents, visits certain customers and seeks to identify fraud at early stages. They also conduct risk assessment of the portfolio on daily basis to maintain a healthy portfolio within the regulatory purview. Daily mark to mark valuation of securities is performed by the risk team so as to track portfolio quality and take necessary corrective action.

Risk management

A robust risk management process is conducted on a daily basis on the overall portfolio to maintain the portfolio quality.

The prices of the securities are updated daily on the basis of end of day price file received from the stock exchanges. On volatile days price files are uploaded on a real-time basis. The clients are then intimated of the margin shortfalls by business teams via phones/emails/letters. The collateral in the loan management system is reconciled with the securities lying with the depositories on a daily basis through an automated process by the operations team. Margins on each of the loans are monitored on regular basis and further margin is called for as and when the need arises. This helps us to maintain comfortable margins and enables us to mitigate risks against potential defaults. Margin calls are sent to clients on a daily basis and in case of a shortfall when the client is unable to maintain the margin, the loan value is realised through the sale of the securities at the earliest. Our centralized risk management system helps us monitor our client's credit exposure on a real time basis, enabling us to make margin calls on a dynamic basis and take suitable action in volatile markets.

Operational controls

We have well defined policies and procedures that help maintain operational control across the lifecycle of the loan. The function is independent and centralized and among other tasks, majorly checks loan cases for adherence to policy parameters. For every loan proposal, disbursals are approved by the front-end operations after conducting proper non-discrepancy checks.

Collections and monitoring

We have developed a comprehensive collection mechanism leveraging both technology and on-field branch network. Our collection strategy is centered on important pillars comprising branch staff tele-calling, centralized tele-calling team and legal recovery team.

At the time of loan disbursement, customers are provided with both Digital (Quick Pay and Virtual Account) and cash payment options. Prior to payment due-dates, customers are reminded of their dues in the form of automated SMS reminders and branch staff tele-calling. Customers are also sensitized about the implication of default.

For customers defaulting on payments, collection tele-calling is carried out by our branch staff. Our branch staff are assigned specified number of borrowers and they have the responsibility for ensuring timely collection. We ensure that there is continuous monitoring of all customer accounts, especially for strategic high-ticket cases and adopt various collection strategies (including auction) on a case-to-case basis.

Branch Network

As on September 30, 2024, our Company had 4,810 branches and 2791 branches across India on consolidated basis and standalone basis, respectively.

Our Credit Ratings

Our current credit ratings for our Company are set forth below:

Credit Ratings for IIFL Finance Limited:

Credit Rating Agency	Instruments	Ratings
CRISIL	Long Term Bank Lines	CRISIL AA/Stable
	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAr/Stable
	Subordinated Debt	CRISIL AA/Stable
	Non-Convertible Debentures	CRISIL AA/Stable
	Commercial Paper Programme (IPO Financing)	CRISIL A1+
	Commercial Paper	CRISIL A1+
ICRA	Long-term Bank Lines	[ICRA] AA (Stable)
	Secured NCD Programme	[ICRA] AA (Stable)
	Subordinated Debt Programme	[ICRA] AA (Stable))
	Unsecured NCD Programme	[ICRA] AA (Stable))
	Long-term Principal Protected Equity Linked Debenture Programme	PP-MLD[ICRA]AA (Stable)
	Long-term Principal Protected Market Linked Debenture Programme	PP-MLD[ICRA]AA ((Stable)
	Commercial Paper Programme	[ICRA]A1+
	Commercial Paper Programme (IPO Financing)	[ICRA]A1+
India Ratings and Research Private Limited	Non-convertible debentures (NCDs)	IND AA/Rating Watch with Negative Implications
	Perpetual debt (Tier 1 instrument)	IND AA-/Rating Watch with Negative Implications
Brickworks	Secured NCDs	BWR AA+ 'Stable'
	Unsecured Subordinated NCDs	BWR AA+ 'Stable'
Fitch	Long-Term Issuer Default Rating (IDR)	B+ / Stable
	Senior secured notes issued under USD1 billion Medium Term Note (MTN) Program	B+ / Stable

Our Subsidiaries

Listed below are major subsidiaries of our Company, for more details about the subsidiaries of our Company, please see "*History and Main Objects*" on page 200 of this Draft Shelf Prospectus.

1. *IIFL Home Finance Limited*

IIFL Home Finance Limited ("**IIHFL**") is a subsidiary of the IIFL Finance Limited. IIHFL is registered with the National Housing Bank ("**NHB**") vide registration no. 09.0175.18 dated September 14, 2018. As on September 30, 2024, IIFL Finance Limited holds 79.59% of the paid up share capital of IIHFL. IIHFL holds Certificate of Registration (not valid for acceptance of public deposits) from the NHB dated September 14, 2018 to carry on the business of a housing finance institution.

IIHFL caters to a vast segment of retail and corporate customers through its loan offering – this includes both home loans and loans against property and construction finance. IIHFL has a significant competitive advantage of the parent Company, which provides managerial, financial and operational support. IIHFL has access to the pan India branch and distribution network of the Company, and it leverages the same.

IIHFL uses its own proprietary loan software for loan originations and repayment management. The system offers greater control and flexibility over other available systems in the market since changes regarding the loan offering, policy parameters etc. can be implemented on real time basis.

(₹ in crore, unless otherwise stated)

AUM	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Home Loan	29,116.28	27,438.28	21,800.37	17,727.04
Loan against Property	7,194.07	7,249.85	5,904.59	5,346.13
Construction Finance	788.04	810.42	806.98	544.20
Total	**37,098.39**	**35,498.55**	**28,511.94**	**23,617.37**

Key financial numbers of IIHFL for six months ended September 30, 2024 and last three financial years

(₹ in crore, unless otherwise stated)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Income	1,881.18	3,293.59	2,731.16	2,221.44
Total Comprehensive Income	567.66	1,019.34	802.00	597.90

2. *IIFL Samasta Finance Limited*

IIFL Samasta Finance Limited is a subsidiary of our Company and is registered with the Reserve Bank of India. As on September 30, 2024, the Company holds 99.56% of the paid up share capital of Samasta. Samasta holds Certificate of Registration (not valid for acceptance of public deposits) from the RBI dated May 17, 2011 to carry on the business of microfinance. Samasta began operations as an MFI in March 2008 with an aim to provide financial services to the financially weaker sections in the country.

(₹ in crore, unless otherwise stated)

AUM	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Microfinance loan	11,310.81	13,093.74	9,785.63	6,154.64
Loan against Property	1,172.35	1,117.55	766.61	329.20
Total	**12,483.16**	**14,211.29**	**10,552.24**	**6,483.84**

Key financial numbers of Samasta for six months ended September 30, 2024 and last three financial years

(₹ in crore, unless otherwise stated)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Income	1,421.39	2,770.03	1,753.51	1,019.93
Total Comprehensive Income	152. 91	501.16	127.87	49.78

3. *IIHFL Sales Limited ("IIHFL Sales")*

IIHFL Sales Limited is a wholly owned subsidiary of IIFL Home Finance Limited and, as on September 30, 2024 our Company holds 79.59% in IIFL Home Finance Limited. IIHFL Sales was incorporated on September 28, 2021. The Company offers professional/ consultancy services that include sourcing, marketing, promoting, publicizing, 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. It also intends to provide all kinds of advisory/consultancy services and fees based intermediation, syndication, Liasoning services.

Key financial numbers of IIHFL Sales for six months period ended September 30, 2024 and last three financial years

(₹ in crore, unless otherwise stated)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Income	9.55	49.69	47.28	7.50
Total Comprehensive Income	(11.75)	(0.36)	11.25	2.79

4. *IIFL Open Fintech Private Limited*

IIFL Open Fintech Private Limited was incorporated under the provisions of the Companies Act, 2013 bearing CIN U72900MH2022PTC382767 on May 17, 2022 issued by the Registrar of Companies, Maharashtra, Mumbai IIFL Open Fintech Private Limited is IIFL Open Fintech Private Limited offers digital services to MSMEs that include improving their digital sales, lending, investment, and wealth management services. As on September 30, 2024, our Company holds 51.02% of the paid up share capital of IIFL Open Fintech Private Limited.

Key financial numbers of IIFL Open Fintech Private Limited for six months ended September 30, 2024 and last three financial years:

(₹ in crore, unless otherwise stated)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023
Total Income	4.50	9.62	5.77
Total Comprehensive Income	2.20	1.79	3.68

Provisioning norms

The Company recognizes loss allowances using expected credit loss ("**ECL**") model. Primarily, ECL accounts for credit losses in future based on observed portfolio behaviour. ECL Credit losses can be considered as difference observed between contractual future cash inflows and expected cash inflows. ECL accounts for two major characteristics: current behaviour of a financial instrument and observed portfolio losses in the portfolio over a period of time considering the time value of money and has following important parameters:

Exposure at default – Estimate of contractual cash inflows in future as on reporting date

Probability of default – Indicator of likelihood of default of financial instrument for a time period

Loss given default – Indicator of normalised loss incurred post default of financial instrument

Stage 1 includes financial instruments that have low credit risk as on the reporting date. For such assets, 12-month expected credit losses are computed on the exposure and interest revenue is accounted on gross asset value (without considering expecting credit losses). ECL is computed based on expected default events within 12 months since reporting date. It is a measure of likelihood of low credit risk portfolio transitioning to high credit risk (and losses post its transition) in next 12 months ("**Stage 1**").

Stage 2 includes financial instruments that have higher credit risk than Stage 1 but with no objective impairment evidence. For such assets, lifetime expected credit losses are computed on the exposure yet interest revenue is accounted on gross asset value (without considering expecting credit losses). ECL is computed based on expected default events over the balanced loan tenure ("**Stage 2**").

Stage 3 includes financial assets that have high credit risk and are considered default as per regulatory norms at the reporting date. For these assets, losses are computed based on empirical data and interest revenue is not accrued ("**Stage 3**").

Further, additional provisions are provided for certain weak accounts.

Sales and Marketing

Marketing activities for our Company are managed by our marketing and corporate communications department. Through in-house teams, external creative agencies and execution partners, the marketing department conducts various activities ranging from brand awareness, product awareness, creative development, lead generation activities and enhancing customer experience, with a focus on aligning product communication to create an economic, social and environmental impact and an overall aim to make our brand 'IIFL' the brand of choice for its customers. The above activities are implemented through various modes such as broadcast media (TV, print, radio), digital assets (website, social media platforms), digital advertising, out-of-home media and on-ground activities.

Risk and Asset-Liability Management

Risk management is a key element of our business strategy and is integrated seamlessly across all of its business operations. The objective of the Company's risk management process is to manage the risk-return equation and ensure meticulous compliance to all extant laws, rules, and regulations applicable for its business. We take a holistic view of risk management and undertakes an enterprise-wide risk management approach under the Enterprise Risk Management ("**ERM**") framework.

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the Audit Committee, the Asset Liability Committee and the Risk Management Committee. We adopt a 'three lines-of-defence' model wherein management control at the business entity level is the first line of defence in risk management. Various risk control and compliance oversight functions, established by the management are the second line of defence. Finally, the third line comprises the internal audit/assurance function. In order to maintain financial soundness of the company, it seeks to promote a strong risk culture throughout the organization. All major risk classes viz credit risk, market risk, operational risk, fraud risk, liquidity risk, business risk and reputational risk are managed via well-defined risk management processes.

<table>
<tr><th>Risk</th><th>Risk Response Strategies</th></tr>
<tr><td>Credit, liquidity and finance risk</td><td>Our Company has separate multi-level credit and investment committee, consisting of Directors of the Board/head of the departments, to consider medium to large credit proposals. However, smaller proposals are decided at appropriate level as per the approval matrix.

The Company has in place a risk management committee and asset liability management committee (ALCO), consisting of directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. The committee reviews the risk management processes, covering credit and underwriting controls, operations, technology and compliance risks.

Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate price, or of appropriate tenure, to meet our business requirements. This risk is minimised through flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements. Also Priority sector qualified assets available for securitization gives ontap liquidity comfort to the company.

We monitor liquidity risk through our ALCO Committee with the help of fortnightly and monthly liquidity and asset liability mismatch reviews. This involves the categorisation of all assets and liabilities in different maturity buckets and evaluating them for any mismatches in any particular maturity bucket, especially in the short-term. The ALM Policy has capped the maximum mismatches in the various maturities in line with RBI guidelines.</td></tr>
<tr><td>Technology Risk</td><td>Our management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cybercrimes, data leakage, business continuity, access controls, etc.

We have put in processes, systems and tools for ensuring vigilant monitoring, audit logging and suspicious activity reporting.

• Robust Business Continuity Framework including Business Continuity Plan (BCP) is in place. BCP Plan is regularly being tested in form of periodic BCP drills from alternate working sites with report submissions to Top Management and Board by Business Continuity Crisis Management Team (BCCMT) and Quick Response Team (QRT).

We successfully completed the ISO 27001:2013 annual re-certification in January 2023. During the year, many processes are automated to reduce the risk of manual error and frauds.</td></tr>
<tr><td>Compliance Risk</td><td>We have implemented business-specific compliance manuals, limit monitoring systems and AML/KYC policies.

The compliance requirements across various service points have been communicated comprehensively to all through compliance manuals and circulars. To ensure complete involvement in the compliance process, reporting processes have been instituted by heads of all businesses/zones/area offices and departments, through submission of quarterly compliance reports. The compilations of these reports are reviewed by the Audit Committee/Board and are also submitted to regulatory authorities, periodically. Besides, the internal auditors verify the compliances as part of their audit process.</td></tr>
<tr><td>Operational risk management</td><td>Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and controls or from external events (as defined by Basel Committee on Banking Supervision).</td></tr>
</table>

Risk	Risk Response Strategies
	Independent operational risk management team reporting to the risk head is in place which is responsible for coordinating all the operational risk activities including building an understanding of the risk profile, implementing tools related to operational risk management, branch operations, cash handling, customer lifecycle management, etc., and working towards the goals of improved controls and lower risk.
Credit risk management	Credit Risk is a measure of loss arising due to failure of borrower to meet the contractual obligation of repayment as per agreement. Our Company has defined processes for identification, ongoing assessment and mitigation of credit risk for various products on regular basis. Our Company routinely monitors credit risk including asset impairment risks and ensures compliance within the board approved policies and risk limits. Additionally, we monitor risk concentrations based on various characteristics. Portfolio reviews are undertaken on monthly basis highlighting behaviour of products on various financial and non-financial parameters. Our Company's credit concentration monitoring is undertaken on continual basis. Our Company has board-approved policy capping credit concentration to entities. This is effectively undertaken to ensure avoidance of default of large exposures affecting our Company's financial performance.
Fraud Risk Management	Our Company has a comprehensive Fraud Risk Management framework in place with an independent Fraud Control Unit (FCU) team responsible for fraud prevention, fraud detection and fraud investigations supported by offsite Audit team, internal audit function, outsourced verification vendors and fraud analytics.

Internal Controls

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operation. The Internal Audit team monitors and evaluates the efficacy and adequacy of Internal Control systems in the Company, its compliance with operating systems and accounting procedures. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions and implementation thereof are presented to the Audit Committee of the Board. Status of resolution tracking as well as pending issues is reported to senior management and audit committee of the Board on a regular basis as an 'Action Taken Report'.

Human Resources

Our human resource management systems and processes are future ready and go hand-in-hand with the demands of the business and environment. We have got a scalable talent acquisition system which seamlessly interacts with business and stakeholders to hire and onboard talent. Training and development which is central to our people development theme has the right mix of classroom, online, MDP trainings and certification courses.

We have been taking employee feedback through our annual pulse survey, which enables us to constantly recalibrate our policies and initiatives and improve on areas, based on the feedback. As of September 30, 2024, the Company (along with its subsidiaries) has a strong workforce of 34,357 employees on a consolidated basis.

Corporate Social Responsibility

On the social front, IIFL Foundation (the CSR arm of the IIFL group) has undertaken many initiatives for community welfare, with a special focus on five for development i.e. health, education & environment, livelihood and poverty alleviation. While designing the CSR programmes, a major emphasis has been given to grant opportunities and building the skills of women through our initiatives, especially those from marginalised and vulnerable communities. The programmes contribute to the sustainable development goals by working to promote gender equality, reduced inequalities, no poverty, quality education and good health and wellbeing.

IIFL Foundation's Sakhiyon ki Baadi programme, is an initiative that addresses the issue of female education, to introduce young girls especially from tribal belts, into formal education. The programme aims to eliminate female illiteracy in the indigenous tribal and other vulnerable areas with disproportionate male-female literacy and education ratios, thereby trying to address gender disparities by achieving literacy and numeracy skills for both men and women. The programme is spread across Rajasthan which has an overall reach across 5 districts with 460 learning centres focused on reducing gender disparity providing girl child with access to educational opportunities. The foundation has also supported digitization in learning at some government schools, at Rajasthan, by developing smart classrooms.

IIFL Foundation also collaborates with NGOs to hold and support medical camps. The foundation has supported the Pandharpur Medical Camp by providing medical supplies, in-patient services and food distribution. It has also provided support for conducting eye and dental check-ups camps at Barsana. As part of IIFL Foundation's initiative on skill development it initiated a course on 'Hospitality Training Program and Chef Trade' for youths at Kupwara, a district in Kashmir.

The IIFL Foundation also supports the 'Chhoti Badi Baatein' programme which focuses on improving learning and mental well being for children. The objective of the programme is to support children to develop appropriate social and interpersonal skills, develop a sense of responsibility, recognise and manage their emotions and foster the development of cognitive, language, communication and mathematic skills among others.

Competition

Our Company offers a diversified range of products including home, gold, business and micro finance loans, loans against property and loans against securities. These are provided to a broad segment of customers including salaried and self-employed personnel and corporates. We face competition primarily from other NBFCs and banks. 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.

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 insurance 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.

Further, our Company has a Directors and Officers Liability Policy which provides a cover for the personal liability of directors and officers arising due to wrongful acts in their managerial capacity.

For a discussion of certain risks relating to our insurance coverage, please see Risk Factor No. 13 *"Insurance of relevant assets obtained by our borrowers may not be adequate to protect them against all potential losses, which could indirectly affect our ability to recover our loans to such borrowers. Further, our insurance coverage may not adequately protect us against losses."* on page 31 of this Draft Shelf Prospectus.

Property

Our Registered office is located at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604, Maharashtra, this office is leased by the Company. Our Corporate office is located at 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400 069, Maharashtra, this office is leased by the Company. We have entered into lease / leave and license agreements for terms ranging from one to ten years for all of our branches.

Our Company owns the following properties* as on the date of this Draft Shelf Prospectus:

- Shop No. G 22B, Revenue Survey No. 1001/1, Paiki Town Planning Scheme No.4, Final Plot No. 110, Paiki, City Survey No. 7396, Municipal Survey No. 1/12/94, Unjha, Mehsana.

Intellectual Property

Our Company has entered into a trademark license agreement with IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* dated March 19, 2019. 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 and logos pertaining to "IIFL" i.e. . The term for which the license is granted is in perpetuity, subject to the terms and conditions contained in the trademark license agreement. For details please see "*History and Main Objects*" on page 200 of this Draft Shelf Prospectus. Further, our Company has applied for registration of the logo " " and trademark 'My Money' in class 36 on January 12, 2024. The Trade Marks Registry has examined the captioned trade mark application and has raised objections inter alia under the provisions of Sections 9 and 11 of the Trade Marks Act, 1999. Once the examination report is served, our Company will file a response against the objections raised.

Information Technology

Information Technology in our Company is the core element which drives business growth and forms the backbone of our organization. Information technology is used as a strategic tool which comprises industry standard business applications and robust IT infrastructure setup which are used to manage business operations which improves our overall productivity and efficiency and provide seamless and world class experience to our customers. We believe that through our information systems and adequate controls we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. Business applications including loan operating system are designed, developed and implemented to meet our business and regulatory requirements round the clock and is being used in all our branches across India to manage business operations, improve customer services and efficiency from time to time. IT and Information security and processes are aligned with RBI Master Directions, ISO 27001 and Industry best practices and industry standard security solutions are implemented to control security and Cyber Risks.

Treasury Operations

Our treasury operations are mainly focused on meeting our funding requirements and managing short term surpluses. Our funding requirements are currently predominantly sourced through term loans, issuance of debentures, commercial paper and securitisation of receivables. We believe that through our treasury operations we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirements of asset liability management. The objective is to ensure smooth functioning of all our operations and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest earning liquid assets and cash to optimize earnings. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities we also invest our temporary surplus funds in fixed deposits with banks, liquid debt-based mutual funds and government securities. Our investments are made in accordance with the investment policy approved by the Board.

Awards and Accolades

During the last 12 months, the Company received the following awards and accolades:

- IIFL Finance recognised as 'Iconic Brand' by The Economic Times in 2023
- IIFL Finance received 'Best NBFC of the Year' award at NBFC Leadership Awards 2023
- IIFL Finance received 'Best Customer Experience Strategy' award at NBFC Leadership Awards 2023
- IIFL Finance received 'Best Sustainability Initiative' award at World Brand Congress Awards in 2023
- IIFL Finance received 'Best Lending Tech' award at World Brand Congress Awards in 2023
- IIFL Finance received 'Marketing Campaign of the Year' for 'Sapna Aapka Loan Humaara Campaign' at Global Brand Excellence Awards in 2023
- IIFL Finance was certified as 'Great Place to Work' by Great Place to Work, India in 2019, 2020, 2021, 2022, 2023 and 2024

HISTORY AND MAIN OBJECTS

Corporate Profile

Our Company 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 Company was changed to a public limited company and our 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 Company 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 Company 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 Company 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 Company 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 Company has obtained a certificate of registration dated March 06, 2020 bearing registration no. – N-13.02386 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act. Based on the revised regulatory framework prescribed by RBI for NBFCs, our Company was classified under the category "Loan Company-Non-Deposit Accepting" and is a systemically important non-deposit taking NBFC. Later on, RBI vide its circular no. RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019 has classified all Loan Companies into a new category called NBFC – Investment and Credit Company (NBFC-ICC).Pursuant to RBI Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 on RBI (NBFC – Scale Based Regulation) Directions, 2023, ("**SBR Master Directions**") our company has been classified NBFC-Middle Layer (NBFC-ML).

Change in registered office of our Company

Except as disclosed below, the registered office of our Company has not changed since incorporation:

S. No.	Effective date of change	Details of change in the registered office
1.	August 06, 1999	1, Snehdeep, Gokhale Road, Vile Parle (East), Mumbai, 400057
2.	January 15, 2001	Building No. 24, Nirlon Complex, off Western Express Highway, Goregaon (East), Mumbai – 400 063, Maharashtra, India
3.	July 22, 2005	Building No 75, Nirlon complex, Off Western Express Highway, Goregaon (East) Mumbai-400 063
4.	April 24, 2010	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604

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 borrowing/lending money by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities to any person, individual, body-corporate, firm, organization, authority but the company shall not carry on banking business within the meaning of Banking Regulations Act, 1949.*

b. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto. *

c. To carry on the activities as investment company and to buy, sell, trade, invest, deal or to do broking in shares, stocks, debentures, bonds, derivatives, commodities, obligations, bills, securities, movable and immovable property and other investments. *

Replaced pursuant to the Composite Scheme of Arrangement ("Scheme**") approved by the Shareholders at their meeting held on December 12, 2018 and approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated March 07, 2019.*

Key terms of Material Agreements and Material Contracts

Other than the below-mentioned agreements, our Company has not entered into material agreements and material contracts which are not in the ordinary course of business.

(i) Joint Venture Agreement with Open Financial Technologies Private Limited

The Board of Directors of the Company at its meeting, held on May 02, 2022 approved a proposal of Joint Venture with Open Financial Technologies Private Limited ("Open Fin Tech") for the purposes of offering neo-banking services to consumers and micro enterprises and retail customers including lending, investment, and wealth management services to certain target groups. The Company on May 02, 2022 also executed a Joint Venture Agreement with Open Financial Technologies Private Limited ("JV Agreement") and with respect to the said Joint Venture, the Company incorporated a subsidiary in the name of IIFL Open Fintech Private Limited ("JV Entity"). The Ministry of Corporate Affairs approved incorporation of the said subsidiary on May 17, 2022 and issued a Certificate of Incorporation for the same.

Our Company's obligations under the JV Agreement inter alia includes (a) capital commitment in the JV Entity; (b) assistance in customer acquisition through online and offline modes; (c) providing lending capital and support to the JV Entity; (d) risk underwriting and lending through the JV Entity platforms.

Open Fin Tech's obligations under the JV Agreement inter alia includes (a) capital commitment in the JV Entity; (b) providing technological support, license and source code for the licensed technology; (c) providing digital acquisition, know-how and staffing support.

(ii) Share Subscription Agreement dated June 9, 2022 ("Subscription Agreement") executed amongst IIFL Home Finance Limited and Platinum OWL C 2018 RSC Limited and Shareholder's Agreement dated June 9, 2022 executed amongst Our Company, Subsidiary Company and Investor (Acting as trustee of Platinum Jasmine A 2018 Trust)

IIFL Home Finance Limited ("**Subsidiary Company**"), a material subsidiary of the Company has executed the Share Subscription Agreement with a wholly owned subsidiary, 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 IIFL Home Finance Limited.

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.

- Declaring any dividend

  Company cannot declare, set aside, make or pay any dividend (interim or final) without obtaining prior written consent of the Investor.

- Long Stop Date: 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.

Our Company, Subsidiary Company 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 the Company which are: (a) a tag-along right; and (b) right of first offer; (ii) rights to exit the Subsidiary 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 Subsidiary Company; (iv) the right preventing Subsidiary Company from providing another investor more favourable terms than those provided to the Investor.

Subsidiaries of our Company

The Company has following subsidiaries:

(i) IIFL Home Finance Limited:

IIFL Home Finance Limited was incorporated under the provisions of the Companies Act, 1956 bearing CIN U65993MH2006PLC166475 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. It 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.

IIFL Home Finance is primarily engaged in providing mortgage loans, which includes housing loans and loans against property ("**LAP**") and developer loans. Housing loans include finance for purchase of flats, construction of houses, extension and for improvement in the flats/homes and for acquiring plots of land (which are intended to be used for construction of houses). LAP is availed for, working capital requirements, for business and personal use.

Change in registered office of IIFL Home Finance Limited:

S. No.	Effective date of change	Details of change in the registered office
1.	December 26, 2006	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604
2.	June 18, 2013	12A-10, 13th Floor, Parinee Crescenzo, C-38 & 39, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
3.	April 15, 2019	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC Thane Industrial Area, Wagle Estate, Thane – 400 604

Principal Business
IIFL Home Finance Limited is involved in carrying out activities of housing finance.

Board of Directors
Details of Board of Directors of IIFL Home Finance Limited is as set out in the below table:

S. No.	Name of Directors	Designation	DIN
1.	Monu Ratra	Whole-time Director & CEO	07406284
2.	Nirmal Bhanwarlal Jain	Non-Executive Director	00010535
3.	Venkataraman Rajamani	Non-Executive Director	00011919
4.	Mohua Mukherjee	Independent Director	08714909
5.	Srinivasan Sridhar	Non – Executive Director	00004272
6.	Kabir Mathur	Nominee Director	08635072
7.	Venkataramanan Anantharaman	Independent Director	01223191
8.	Mohan Sekhar	Independent Director	00032093
9.	Ramakrishnan Subramanian	Independent Director	02192747
10.	Mathew Joseph	Independent Director	01033802

Shareholding Pattern

The Shareholding pattern of IIFL Home Finance Limited as on September 30, 2024 is as set out in the table below:

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	0.00
4.	Gaurav Seth*	100	100	0.00
5.	Abhishikta Munjal*	100	100	0.00
6.	Monu Ratra*	100	100	0.00
7.	Ajay Jaiswal*	100	100	0.00
Total		2,63,44,638	2,63,44,638	100.00

* *Holding as nominee of IIFL Finance Limited*

(ii) IIFL Samasta Finance Limited (Formerly known as Samasta Microfinance Limited):

Samasta was incorporated as a public limited under the Companies Act, 1956 on August 09, 1995, in Bangalore, Karnataka bearing CIN U65191KA1995PLC057884. Its registered office is situated at 110/3, Lal Bagh Main Rd, Krishnappa Layout, Bengaluru, Karnataka 560027, India. Since its inception in March 2008, Samasta has been providing innovative and affordable financial products to women from unbanked sections of society in both rural and semi urban areas. Samasta with its wide array of responsible financial products and services acts as a catalyst for sustainable and inclusive economic growth. As on March 31, 2024, Samasta has 1,645 branches across 21 states and one union territory.

Pursuant to change of name certificate issued by the Ministry of Corporate Affairs (MCA), received on September 3, 2021, the name of Subsidiary of the Company is changed from 'Samasta Microfinance Limited' to 'IIFL Samasta Finance Limited' with effect from September 1, 2021.

Samasta has received Certificate of Registration from RBI dated September 20, 2021 pursuant to change of its name from 'Samasta Microfinance Limited' to 'IIFL Samasta Finance Limited' with effect from September 1, 2021. As a business correspondent, Samasta uses its market know-how and accessibility to the rural and semi urban bottom of pyramid families in India to bring microfinance services like micro loans, credit linked insurance, group-based savings account etc. to their doorstep.

Principal Business

Samasta is involved in the business of microfinance lending.

Investment in Samasta by our Company

Pursuant to the approval of the Board of Directors of the Company at its meeting held on December 18, 2020, the Company subscribed for 42,426,147 equity shares of ₹10 each for an amount aggregating to ₹ 67.5 crore at a price of ₹ 15.91 per share in the right issue of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on June 12, 2021, the Company subscribed for 91,575,091 equity shares of ₹10 each for an amount aggregating to ₹ 150 crore at a price of ₹ 16.38 per share in the right issue of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on March 22, 2022, the Company subscribed for 41,482,300 equity shares of ₹10 each for an amount aggregating to ₹75 crore at a price of ₹18.08 per share in the right issue of Samasta.

Pursuant to the approval of the Board of Directors at its meeting held on June 23, 2022, the Company purchased from IIFL Home Finance Limited 124,555,797 equity shares of ₹10 each for an amount aggregating to ₹259.08 crore at a price of ₹20.80 per share of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on February 7, 2023, the Company subscribed for 9,54,19,847 equity shares of ₹10 each for an amount aggregating to ₹ 199.99 crore at an issue price of ₹ 20.96 per share in the rights issue of Samasta.

Pursuant to the approval of the Finance Committee at its meeting held on November 15, 2023, the Company subscribed for 74,794,315 equity shares of ₹10 each for an amount aggregating to ₹ 199.99 crore at an issue price of ₹ 26.74 per share in the rights issue of Samasta.

Board of Directors

Details of the board of directors of Samasta is as set out in the table below:

S. No.	Name of Directors	Designation	DIN
1.	Narayanaswamy Venkatesh	Managing Director	01018821
2.	Shivaprakash Deviah	Whole Time Director	02216802
3.	Malini B. Eden	Independent Director	00732954
4.	Venkataraman Rajamani	Director	00011919
5.	Kalengada Mandanna Nanaiah	Independent Director	01276050
6.	Govinda Rajulu Chintala	Independent Director	03622371
7.	Nihar Niranjan Jambusaria	Independent Director	01808733

Shareholding Pattern

The Shareholding pattern of Samasta as on September 30, 2024 is as set out in the table below:

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	66,55,10,372	66,55,10,372	99.56
2.	Narayanaswamy Venkatesh	23,88,777	23,88,777	0.36
3.	Shivaprakash Deviah	3,45,000	3,45,000	0.05
4.	Anitha Shivanna	1,93,200	1,93,200	0.03
5.	Venkatakrishnama Appanaidu Narayanaswamy	1	1	0.00
6.	Prema Narayanaswamy	1	0	0.00
7.	Vidhya Anand	1	0	0.00
Total		**66,84,37,352**	**66,84,37,350**	**100.00**

(iii) IIHFL Sales Limited

IIHFL Sales Limited was incorporated on September 28, 2021 as a wholly owned subsidiary of IIFL Home Finance Limited. The Company offers professional/ consultancy services that include sourcing, marketing, promoting, publicizing, 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. It also intends to provide all kinds of advisory/consultancy services and fees based intermediation, syndication, Liasoning services.

Board of Directors

Details of the board of directors of IIHFL Sales Limited is as set out in the table below:

S. No.	Name of Directors	Designation	DIN
1.	Ajay Jaiswal	Director	01618047
2.	Gaurav Seth	Director	10520462
3.	Rashmi Priya	Director	09338025

Registered office of the IIHFL Sales Limited

IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400 604.

Principal Business (IIHFL Sales Limited)

The Company offers professional/ consultancy services that include sourcing, marketing, promoting, publicizing, 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. It also intends to provide all kinds of advisory/consultancy services and fees based intermediation, syndication, liasoning services.

Shareholding Pattern

The Shareholding pattern of IIHFL Sales Limited as on September 30, 2024 is as set out in the table below:

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 Home Finance Limited	49,994	49,994	100.00
2.	Abhishikta Chadda Munjal*	1	1	-
3.	Lokesh Goyal*	1	1	-
4.	Rachhit Gehani*	1	1	-
5.	Bhanu Priya*	1	1	-
6.	Diwakar Jain *	1	1	-
7.	Rashmi Priya*	1	1	-
Total		**50,000**	**50,000**	**100.00**

* *As a nominee of IIFL Home Finance Limited.*

(iv) IIFL Open Fintech Private Limited

IIFL Open Fintech Private Limited was incorporated under the provisions of the Companies Act, 2013 bearing CIN U72900MH2022PTC382767 on May 17, 2022 issued by the Registrar of Companies, Maharashtra, Mumbai.

IIFL Open Fintech Private Limited offers digital services to MSMEs that include improving their digital sales, lending, investment, and wealth management services.

Registered Office

IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Thane – 400 604.

Principal Business

To carry on the business of digital services to MSMEs that include improving their digital sales, lending, investment, and wealth management services.

Board of Directors

Details of Board of Directors of IIFL Open Fintech Private Limited is as set out in the below table:

Sr. No.	Name of Directors	Designation	DIN
1.	Ram Nirankar Rastogi	Independent Director	07063686
2.	Mehekka Oberai	Non-Executive Director	08829128
3.	Ajeesh Achuthan	Non-Executive Director	07948982
4.	Anish Achuthan	Non-Executive Director	02853403
5.	Deena Jacob	Non-Executive Director	06552579
6.	Ramakrishnan Subramaniam	Independent Director	02192747

Shareholding Pattern

The Shareholding pattern of IIFL Open Fintech Private Limited as on September 30, 2024 is as set out in the table below:

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*	85,91,398	85,91,398	51.02
2.	Open Financial Technologies Private Limited	82,47,312	82,47,312	48.98
Total		1,68,38,710	1,68,38,710	**100.00**

** 1 (One) Share is held by Ms. Mehekka Oberai in the capacity of nominee of IIFL Finance Limited.*

Associate Company

As on the date of this Draft Shelf Prospectus, our Company does not have any associates.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in our Company shall be not less than three and not more than fifteen.

As of the date of this Draft Shelf Prospectus, we have nine Directors on the Board, out of which two Directors are Executive Directors, one Director is Non-Executive Nominee Director, two Directors are Non- Executive Directors, three directors are Independent Directors and one women director as an Additional Independent Director on the Board.

***Details of Board of Directors as on the date of this Draft Shelf Prospectus*:**

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment/ Reappointment	Details of other directorship
Arun Kumar Purwar **Designation:** Chairman & Non- Executive Director **DIN:** 00026383	78	C-2303/4, Floor- 23, Ashok Tower, Dr. SS Rao Road, Parel, Mumbai 400 012	Initial date of appointment: March 10, 2008 Date of re-appointment: April 01, 2024	**Indian Companies:** 1. Jindal Global Capability Centre Private Limited 2. Alkem Medtech Private Limited 3. Jindal Panther Cement Private Limited 4. Balaji Telefilms Limited 5. Mizuho Securities India Private Limited 6. Energy Infratech Private Limited 7. Alkem Laboratories Limited 8. Eroute Technologies Private Limited **Foreign Companies:** Nil
Nirmal Bhanwarlal Jain **Designation:** Managing Director DIN: 00010535	57	103 A Wing, Guruprasad CHS Limited, TPS II, CTS 777, F.P., 10 Hanuman Road, Vile Parle (East), Mumbai 400 057	Initial date of appointment: October 18, 1995 Date of re-appointment: April 01, 2022	**Indian Companies:** 1. IIFL Home Finance Limited 2. MNJ Consultants Private Limited 3. Pratham Education Foundation **Foreign Companies:** Nil

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment/ Reappointment	Details of other directorship
R Venkataraman **Designation:** Joint Managing Director **DIN:** 00011919	57	21 Jayshree, Laburnum Road, Next to Mani Bhavan Gamdevi, Grant Road, Mumbai, Maharashtra – 400 007	Initial date of appointment: July 5, 1999 Date of re-appointment: April 01, 2022	**Indian Companies:** 1. IIFL Facilities Services Limited 2. IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* 3. IIFL Samasta Finance Limited 4. IIFL Home Finance Limited 5. Orpheus Trading Private Limited **Foreign Companies:** Nil
Nirma Anil Bhandari **Designation:** Additional Independent Director **DIN**: 02212973	51	33, Vaikunth Society, Lallubhai Park Road, Andheri West, Mumbai, Maharashtra - 400 058	September 16, 2024	**Indian Companies:** 1. Monedo Financial Services Private Limited 2. Navneet Education Limited 3. ANB Consulting Company Private Limited 4. Arcon Techsolutions Private Limited **Foreign Companies:** Nil
Gopalakrishnan Soundarajan **Designation:** Non-Executive Director **DIN:** 05242795	62	1080 Bay ST UN-PH02 Toronto, ON, M5S0A5, Toronto, Canada	May 11, 2024	**Indian Companies**: 1. Go Digit Life Insurance Limited 2. Go Digit General Insurance Limited 3. Anchorage Infrastructure Investments Holdings Limited 4. Bangalore International Airport Limited 5. Thomas Cook (India) Limited 6. Quess Corp Limited **Foreign Companies:**

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment/ Reappointment	Details of other directorship
				1. Primary Real Estate Investments 2. FIH Private Investments Ltd 3. FIH Mauritius Investments Ltd 4. Fairfax India Holdings Corporation 5. 10955230 Canada INC 6. Fairfirst Insurance Limited
Tritala Subramanian Ramakrishnan **Designation:** Non-Executive Nominee Director **DIN:** 09515616	60	Flat No. 3D, Block A, Jains Balaji Nilayam Casa Waterside, Safilguda X Road, Malkajgiri, Hyderabad – 500047	October 26, 2023	**Indian Companies**: Nil **Foreign Companies:** Nil
Bijou Kurien Designation*:* Independent Director DIN: 01802995	65	33/2, Vittal Mallya Rd, Next to Shell Petrol Bangalore North, Bangalore GP Bangalore, Karnataka - 560 001	March 13, 2024	**Indian Companies**: 1. SRP Prosperita Hotel Ventures Limited 2. Zenplus Private Limited 3. Oceanic Rubber Works Private Limited 4. Brigade Hotel Ventures Limited 5. Renaissance Global Limited 6. LTImindtree Limited 7. Rapawalk Fashion Technologies Private Limited 8. Retailers Association Of India 9. Lighthouse Learning Private Limited 10. Sach Advisors Private Limited 11. Stella Treads Private Limited 12. Suguna Foods Private Limited 13. Brigade Enterprises Limited **Foreign Companies:** Nil

Name, Designation, DIN, Nationality, Occupation and Term	Age	Address	Date of Appointment/ Reappointment	Details of other directorship
Ramakrishnan Subramanian Designation: Independent Director DIN: 02192747	56	110 TG RHU Road, #01-01 Camelot, Singapore – 436928	September 6, 2021	**Indian Companies:** 1. IIFL Home Finance Limited 2. IIFL Open Fintech Private Limited 3. Neogrowth Credit Private Limited **Foreign Companies:** 1. Fincrest Management Advisors Pte Ltd
Nihar Niranjan Jambusaria Designation: Independent Director DIN:01808733	65	A-132, Shantivan, Eksar Village, Devidas Lane, Borivali West, Mumbai, Maharashtra – 400103	March 13, 2024	**Indian Companies**: 1. Blossom Industries Limited 2. Pranav Constructions Limited 3. The Clearing Corporation Of India Limited 4. IIFL Samasta Finance Limited 5. Cysdat India Private Limited **Foreign Companies:** Nil

Relationship between Directors

As on the date of this Draft Shelf Prospectus, none of our Directors are related to each other.

Brief profile/particulars of the Directors of the Company

Arun Kumar Purwar

Arun Kumar Purwar is the Chairperson & Non-Executive Director of our Company. He also serves as Chairman & Independent Director of Jindal Panther Cement Private Limited as well as Eroute Technologies Private Limited. He serves as an Independent Director in companies across diverse sectors like Finance, Pharma, Media, Engineering consultancy, Investment Banking, Fintech sectors. He was Chairman of the State Bank of India (SBI) from 2002 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala.

Nirmal Bhanwarlal Jain

Nirmal Jain is the Promoter and Managing Director on the Board of the Company. He founded IIFL Group as an independent equity research company in 1995. He has been a pioneer in technology led disruptions in financial services space creating new standards in securities trading, consumer finance, wealth and asset management. He holds a PGDM (Post Graduate Diploma in Management) from Indian Institute of Management, Ahmedabad (IIMA) and is a rank holder

Chartered Accountant and Cost Accountant. He has close to three decades of experience spearheading diverse businesses in the financial services sector.

R Venkataraman

R Venkataraman is the Co- Promoter and Joint Managing Director on the Board of the Company. He holds a Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore, and a Bachelor in Electronics and Electrical Communications Engineering from IIT, Kharagpur. He joined IIFL Group in 1999. He has been contributing immensely in the establishment of various businesses and spearheading key initiatives of IIFL Group over the past 25 years. He has varied experience of more than 33 years in the financial services sector.

Nirma Anil Bhandari

Ms. Nirma Anil Bhandari is a Cost Accountant and embodies an extensive experience of over 20 years. Ms. Bhandari mentors the Information Risk Management segment of a leading advisory firm, wherein, during the last 20 years, she has acquired substantial knowledge in the areas related to Information Technology Risk, Audit, Cyber Security, Governance, Risk and Compliance, Data Privacy and Robotics GRC. She has led teams in various engagements for regulatory advisory assessments, frameworks, consulting, reviews, audits, training, etc., for large Banking, Telecom, Insurance, Mutual Funds, and Other Financial and Non-Financial Services companies.

Gopalakrishnan Soundarajan

Gopalakrishnan Soundarajan is the Chief Operating Officer at Fairfax India Holdings Corporation and the Managing Director at Hamblin Watsa Investment Counsel Ltd. He holds a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst (“CFA”) and Member of the CFA Institute in the United States. He serves on the board of directors of Fairfax India Holdings Corporation, Fairfirst Insurance Limited, FIH Mauritius Investments Ltd, FIH Private Investments Ltd, 10955230 Canada Inc., Bangalore International Airport Ltd, Quess Corp Limited, Thomas Cook (India) Limited, Anchorage Infrastructure Investments Holdings Ltd, Go Digit Life Insurance Limited and Primary Real Estate Investment Fund.

Tritala Subramanian Ramakrishnan

Mr. Ramakrishan served as the MD & CEO of LIC Mutual Fund. He holds a Post Graduate Diploma in Management. He is a Fellow of the Insurance Institute of India. He also holds a Diploma in Health Insurance. He was also on the Board of AMFI (Association of Mutual Funds in India).

Bijou Kurien

Bijou Kurien has completed his MBA from XLRI Jamshedpur and is also serving as an Independent Director on several listed and unlisted companies. Mr. Bijou has also been associated with the Retailers Association of India.

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.

Nihar Niranjan Jambusaria

Nihar Niranjan Jambusaria is a Member of the Institute of Chartered Accountants of India (ICAI). Since 1984, Mr. Jambusaria has been a senior partner at N. N. Jambusaria & Co., Chartered Accountants.

Remuneration of Directors

The Nomination and Remuneration Committee ("NRC") determines and recommends to the Board the compensation to be paid to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. The tables below sets forth the details of the remuneration pertaining to the current year and last three financial years which has been paid or was payable to the Directors by the Company.

A. Remuneration paid to our Directors by our Company

The terms of remuneration of the Executive Directors are as below:

1. Nirmal Bhanwarlal Jain, Managing Director

The following sets forth Terms of Remuneration of Mr. Nirmal Bhanwarlal Jain, Managing Director appointed with effect from April 01, 2022. The following terms of remuneration has been approved by the Board of Directors at its meeting held on June 09, 2022 and the same was approved by the shareholders at the Annual General Meeting held on July 08, 2022. Further, the Nomination and Remuneration Committee at its meeting held on April 25, 2023 approved increase in remuneration by 20% effective from April 1, 2023.

a) Basic salary of ₹ 0.72 crore 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 a Company provided house or house rent allowance of 20% of basic salary if house owned by him but furnished by the Company or house rent allowance of 50% of basic salary if house owned and furnished by himself.
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, two 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 ₹ 0.30 crore 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) 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 contribution to provident funds, gratuity and superannuation and leave encashment as per the rules of the Company.
g) Other terms: He shall not be paid any sitting fees or any other salary for attending Meetings of the Board of Directors or Committees thereof.
   In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Nirmal Jain as minimum remuneration, subject to provisions of the Act.
h) Termination of Employment:
   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.
   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.

2. R Venkataraman, Joint Managing Director

R Venkatraman was a Managing Director in IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*, an IIFL group company from May 13, 2019 till May 15, 2024 and has drawn remuneration from IIFL Securities. Presently, R Venkataraman is a Managing Director of IIFL Facilities Services Limited, an IIFL group company from July 3, 2024 and he is drawing his entire remuneration from IIFL Facilities Services Limited and not drawing any remuneration from the Company.

Details of remuneration paid to the Executive Directors for the current year and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, by our Company:

(₹ in crore)

Name of Director	For the six months period ended September 30, 2024#	Fiscal 2024#	Fiscal 2023#	Fiscal 2022#
Nirmal Jain#	5.18	11.09	9.95	8.49
R Venkataraman	-	-	-	-

Exclusive of gratuity / leave liability.

Remuneration of Non-Executive Directors and Independent Directors

The Non-Executive Directors and Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings), except for one Non-Executive Director to whom no sitting fees or commission is paid by our Company and one Non-Executive Nominee Director to whom only sitting fee is paid by our Company.

The Company pays sitting fees of ₹1,00,000 (Rupees One Lakh only) per meeting to Non–Executive Directors and Independent Directors for attending meetings of the Board and Audit Committee and ₹30,000 (Rupees Thirty Thousand only) per meeting for attending other committee meetings plus reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them, except the Corporate Social Responsibility Committee meetings for which there is no sitting fees is payable.

Apart from above, the Non-Executive Directors and Independent Directors are eligible for commission as approved by the shareholders of the Company at the Annual General Meeting held on June 30, 2021. The amount of commission is based on the overall financial performance of the Company and Board of Directors. The commission payable to the Non-Executive Independent Directors of the Company is as recommended by the Nomination and Remuneration Committee and as decided by the Board of the Company from time to time provided it does not exceed one percent of the net profit of the Company for the respective year.

The following table sets forth all compensation recorded by the Company to the Non-Executive and Independent Directors for the current year and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, by our Company:

(₹ in crore)

Name of Director	For the six months period ended September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Arun Kumar Purwar	-	0.13	0.20	0.29	0.07	0.21	0.11	0.11
Nirma Anil Bhandari*	-	0.00	-	-	-	-	-	-
Goapalakrishnan Soundarajan**	-	-	-	-	-	-	-	-
Tritala Subramanian Ramakrishnan***	-	0.07	-	0.04	-	-	-	-
Bijou Kurien#	-	0.08	-	0.02	-	-		
Ramakrishnan Subramanian$	-	0.13	0.08	0.27	0.06	0.19	0.03	0.04
Nihar Niranjan Jambusaria$$	-	0.13	-	0.02	-	-	-	-

Name of Director	For the six months period ended September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Vijay Kumar Chopra^	-	0.02	0.18	0.17	0.06	0.15	0.05	0.20
Geeta Mathur&	-	0.10	0.18	0.26	0.06	0.20	0.05	0.20
Nilesh Vikamsey&&	-	-	0.20	0.28	0.07	0.18	0.05	0.19
Vibhore Sharma@	-	-	-	-	0.00	0.06	0.04	0.07

Notes:

** Nirma Anil Bhandari was appointed as Additional Independent Director w.e.f. September 16, 2024 and the regularisation of her appointment by the shareholders of the Company through postal ballot is under process.*

***Gopalakrishnan Soundarajan is the Non-Executive Director of the Company and is not paid any sitting fees or commission.*

**** Tritala Subramanian Ramakrishnan was appointed as Non-Executive Nominee Director w.e.f. October 26, 2023 and subsequently his appointment was approved by the shareholders through postal ballot on December 05, 2023.*

#*Bijou Kurien was appointed as Independent Director w.e.f. March 13, 2024 and subsequently his appointment was approved by the shareholders through postal ballot on June 10, 2024.*

$*Ramakrishnan Subramanian was appointed as Independent Director w.e.f. September 06, 2021 and subsequently their appointment was approved by the shareholders at the Extra Ordinary General Meeting of the Company held on September 30, 2021.*

$$*Nihar Niranjan Jambusaria was appointed as Independent Director w.e.f. March 13, 2024 and subsequently his appointment was approved by the shareholders through postal ballot on June 10, 2024.*

^*Vijay Kumar Chopra ceased to be director of the Company w.e.f. May 20, 2024.*

& Geeta Mathur *ceased to be director of the Company w.e.f. September 17, 2024.*

&&Nilesh Vikamsey *ceased to be director of the Company w.e.f. March 31, 2024.*

@Vibhore Sharma *ceased to be director of the Company w.e.f. August 31, 2022.*

Terms of Appointment of Independent Directors

1. Appointment

   Appointment will be for a term of five years from the date of appointment unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("Term"). As an Independent Director you will not be liable to retire by rotation.

   Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Your reappointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Role, duties and responsibilities

   As member of the Board you along with the other Directors will be collectively responsible for ensuring the objectives of the Board which include:

   a) The Company ensuring the requirements under the Companies Act, 2013

   b) Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under the Companies Act, 2013 and the SEBI LODR Regulations

c) Accountability under the Directors' Responsibility Statement,
d) Overseeing the maintenance of high standards of company's values and ethical conduct of business,
e) Reviewing the business plan, model and monitoring the action plan,
f) Overseeing the Company's contribution to enhancing the corporate social responsibility
g) Act not in a manner that unfairly obstructs the functioning of the board and its committees
h) Strive to attend all meetings of the board and its committees
i) Abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and under the SEBI LODR Regulations, as may be applicable from time to time.

3. Time Commitment

You shall devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member as fixed by the Board from time to time.

In addition to the sitting fees, you may be eligible for commission as may be decided by the Board subject to the necessary approval of the shareholders of the Company.

Further, the Company may pay or reimburse to you such reasonable travel, hotel or other related expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

5. Insurance

The Company has obtained Directors' and Officers' Liability Insurance policy and you will be covered under the same.

6. Code of Conduct

As an Independent Director of the Company, you agree to comply with the Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

a) Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,

b) Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,

c) Non-Executive Directors will strictly safeguard the confidentiality of all information received by them by virtue of their position.

d) Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

e) Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

f) We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company. You are required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

7. Familiarization program

The Company shall, if required, conduct formal familiarization program for its Independent Directors.

8. Performance Appraisal / Evaluation Process

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

9. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships. Further, you are required to obtain prior consent of the Company in case you intent to join the board of any companies engaged in the same sphere of activities that of IIFL group.

During your term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect your status as an Independent Director.

10. Changes of personal details

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, your directorship may be terminated in case of violation of any provision of the Code of Conduct as applicable to Non- Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria for "independence" under the provisions of the SEBI LODR Regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

12. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

13. Miscellaneous

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

As per the provisions of the Companies Act, 2013 and SEBI LODR, the terms of this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

B. Remuneration paid by Subsidiary and associate companies to the Directors

As on date of this Draft Shelf Prospectus, we do not have any associate companies.

Except as disclosed below, none of our directors have drawn any remuneration from our Subsidiaries.

(₹ in crore)

Name of Director	For the six months period ended September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Arun Kumar Purwar$	-	-	-	0.04	-	0.06	-	0.03
Ramakrishnan Subramanian#	-	0.03	-	0.01	-	-	-	-
Nihar Niranjan Jambusaria*	-	0.04	-	-	-	-	-	-

$ Arun Kumar Purwar has ceased to be an Independent Director in IIFL Home Finance Limited from March 31, 2024 due to completion of his tenure.
#Ramakrishnan Subramaniam is an Independent Director in IIFL Home Finance Limited from April 1, 2024 and IIFL Open Fintech Private Limited from March 20, 2023
** Nihar Niranjan Jambusaria is an Independent Director in IIFL Samasta Finance Limited from April 24, 2024.*

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 of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

- None of our Directors have been restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI.

- None of our directors are promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the SEBI.

- None of our Directors have been identified as a 'Wilful Defaulter', as defined under SEBI NCS Regulations.

- 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 ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

- None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchanges at the time of filing this Draft Shelf Prospectus.

Changes in the Board of Directors during the current financial year and last three years preceding the date of this Draft Shelf Prospectus:

Name of Director, Designation and DIN	**Appointment / Resignation/Retirement/ Change in Designation**	**Date of Appointment/Retirement/ Resignation/ Change in Designation**	**Director of the Company since (in case of resignation or retirement)**	**Remarks (if any)**
Nagarajan Srinivasan Designation: Non-Executive Director DIN: 01480303	Resignation	June 15, 2021	May 21, 2019	-
Vibhore Sharma Designation: Independent Director DIN: 03314559	Appointment	July 1, 2021	-	-
Ramakrishnan Subramanian Designation: Independent Director DIN: 02192747	Appointment	September 6, 2021	-	-
Nirmal Bhanwarlal Jain Designation: Managing Director DIN: 00010535	Appointment	April 01, 2022	-	Appointed as Managing Director of the Company with effect from April 01, 2022
R Venkataraman Designation: Joint	Change in designation	April 01, 2022	-	Designation of Mr. R

Name of Director, Designation and DIN	Appointment / Resignation/Retirement/ Change in Designation	Date of Appointment/Retirement/ Resignation/ Change in Designation	Director of the Company since (in case of resignation or retirement)	Remarks (if any)
Managing Director DIN: 00011919				Venkataraman has been changed from Managing Director to Joint Managing Director
Vibhore Sharma Designation: Independent Director DIN: 03314559	Resignation	August 31, 2022	July 1, 2021	-
Tritala Subramanian Ramakrishnan Designation: Non-Executive Nominee Director DIN: 09515616	Appointment	October 26, 2023	-	-
Bijou Kurien Designation: Independent Director DIN: 01802995	Appointment	March 13, 2024	-	-
Nihar Niranjan Jambusaria Designation: Independent Director DIN: 01808733	Appointment	March 13, 2024	-	-
Nilesh Shivji Vikamsey Designation: Independent Director DIN: 00031213	Resignation	March 31, 2024	February 11, 2005	-
Arun Kumar Purwar Designation: Chairman & Non-Executive Director DIN: 00026383	Change in designation	April 1, 2024	-	Designation changed from Chairman & Independent Director to Chairman & Non-Executive Director
Vijay Kumar Chopra Designation: Independent Director DIN: 02103940	Retirement	May 20, 2024	May 21, 2019	
Chandran Ratnaswami Designation: Non-Executive Director DIN: 00109215	Resignation	May 10, 2024	May 15, 2012	-

Name of Director, Designation and DIN	Appointment / Resignation/Retirement/ Change in Designation	Date of Appointment/Retirement/ Resignation/ Change in Designation	Director of the Company since (in case of resignation or retirement)	Remarks (if any)
Gopalakrishnan Soundarajan Designation: Non-Executive Director DIN: 05242795	Appointment	May 11, 2024	-	-
Nirma Anil Bhandari Designation: Additional Independent Director DIN: 02212973	Appointment	September 16, 2024	-	-
Geeta Mathur Designation: Independent Director DIN: 02139552	Resignation	September 17, 2024	September 18, 2014	-

Interest of the Directors

Except, Nirmal Bhanwarlal Jain and R Venkataraman, as on the date of this Draft 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 Non-Executive Independent Directors of our Company are entitled to sitting fees for every meeting of the Board or a committee thereof except the Corporate Social Responsibility Committee meetings for which no sitting fees is payable. The Executive Directors of our Company are interested to the extent of remuneration paid for services rendered, if any, as an officer or employee of our Company. The Non-Executive Non-Independent Director(s) are not paid any sitting fees and/or commission except as mentioned below.

Name of Director	For the six months period ended September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Arun Kumar Purwar	-	0.13	0.20	0.29	0.08	0.21	0.11	0.11
Tritala Subramanian Ramakrishnan	-	0.07	-	0.04	-	-	-	-

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.

All our 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 Draft Shelf Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft 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. As on the date of this Draft Shelf Prospectus, our Company's directors have not taken any loan from our Company.

Except as disclosed in the Section "*Financial Information*" on page 251 of this Draft Shelf Prospectus, 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.

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.

None of our Directors' relatives have been appointed to an office or place of profit of the Issuer and its Subsidiaries.

Except as disclosed hereinabove and the section titled "*Risk Factors*" page 23 of this Draft Shelf Prospectus, 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 section titled "*Financial Information*" on page 251 of this Draft Shelf Prospectus, 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 the Company in the preceding two years of filing this Draft Shelf Prospectus with the Stock Exchanges 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 the Company.

Shareholding of Directors

As on September 30, 2024, none of our Directors hold any qualification shares in our Company.

Details of the shares held in the Company by the Directors, as on September 30, 2024 are provided in the table given below:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 2 each	% of total shares of our Company
1.	Nirmal Bhanwarlal Jain Designation: Managing Director DIN: 00010535	534,40,570	12.60
2.	R Venkataraman Designation: Joint Managing Director DIN: 00011919	123,01,441	2.90
3.	Arun Kumar Purwar Designation: Chairman & Non-Executive Director DIN: 00026383	1,06,390	0.03

As on September 30, 2024, none of our Directors hold any stock options of our Company.

As on September 30, 2024, none of our Directors hold any shares in our Subsidiary companies. Further, our Company does not have associate company as on the date of this Draft Shelf Prospectus.

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company at their AGM held on September 30, 2019 and in accordance with provisions of Section 180 (1)(c) and all other applicable provisions of the Companies Act, 2013 and Articles of Association the Board has been authorised to borrow 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) by a sum not exceeding ₹ 35,000 crore.

Debenture holding of Directors

None of our Directors hold any debentures in our Company as on September 30, 2024.

Key Managerial Personnel

Kapish Jain, the Chief Financial Officer, comes with more than 25 years of experience in the BFSI sector across all areas of Finance, Strategy, Treasury, IR, FP&A and Accounts. His earlier BFSI experience includes PNB housing finance, AU Finance, Deutsche Bank, ICICI Prudential, etc. Mr. Jain is also a qualified CA, CS, ICWA & CPA.

Samrat Sanyal, the Company Secretary & Compliance Officer is a professional with over two decades of experience as a company secretary with various companies. He is a member of The Institute of Company Secretaries of India and a graduate from St. Xavier's College, Kolkata.

Apart from the Key Managerial Personnel's of our Company as disclosed above, Nirmal Jain and R Venkataraman are also the Key Managerial Personnel of the Company and their profiles are stated in this section under the head "Brief profiles / particulars of the Directors of the Company".

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, if any, the Key Managerial Personnel of the Company do not have any interest in the Company.

Details of remuneration paid to the Key Managerial Personnel (other than Directors), during the six months period ended September 30, 2024, and the Fiscals 2024, 2023 and 2022 by our Company:

(₹ in crore)

Name of KMP	For the six months period ended September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Kapish Jain Designation: Chief Financial Officer$	0.92	2.41	0.88	-
Samrat Sanyal Designation: Company Secretary and Compliance Officer#	0.07	-	-	-

$ Kapish Jain was appointed as Chief Financial Officer of our Company from November 1, 2022

Samrat Sanyal was appointed as Company Secretary and Compliance Officer of our Company from August 23, 2024*

Equity Shares held by Key Managerial Personnel as on September 30, 2024, the shareholding of our KMPs in our Company

As on date of this Draft Shelf Prospectus, except as disclosed below, none of our KMPs (other than Directors), hold equity shares in our Company as on September 30, 2024.

Sr. No.	Name of the KMP and Designation	No. of Equity Shares of ₹ 2 each	% of total shares of our Company
1.	Kapish Jain Designation: Chief Financial Officer	5,000	Negligible

Senior Management Personnel of our Company

In addition to Kapish Jain and Samrat Sanyal, who are also designated as our Company's Key Managerial Personnel, whose details are provided in "Our Management - Key Managerial Personnel on page 223, the details of the Senior Management Personnel, as on the date of this Draft Shelf Prospectus, are set out below:
Names of our Senior Management Personnel

1. Pranav Dholakia, Chief Risk Officer
2. Abhiram Bhattacharjee, Chief Operating Officer
3. Shivalingam A. Pillai, Chief Compliance Officer
4. Gaurav Sharma, Chief Technology Officer
5. Manav Verma, Chief Marketing Officer
6. Kirti Timmanagoudar, Vice President – Strategic Alliances
7. Bharat Aggarwal, Business Head – Unsecured Lending
8. Amlan Narendra Singh, Head of Operations & Customer Service
9. Mahesh Mimani, Head Resolutions
10. Sourav Mishra, Head Corporate Communication
11. Mayank Sharma, Head Internal Audit
12. Sameer Gadve, Chief Information Security Officer
13. Preeti Kannan, Chief Human Resources Officer

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, if any, or to be subscribed by them in this Issue and to the extent of any interest/redemption process 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.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and as amended from time to time, all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of Audit Committee, Nomination and Remuneration Committee, Asset Liability Management Committee, Risk Management Committee, IT Strategy Committee and certain other norms in connection with disclosure and transparency and connected lending. Our Company is in compliance with these corporate governance requirements.

Committees of the Board

Audit Committee

The Audit Committee was last reconstituted vide a resolution passed by the Board on October 23, 2024. As on the date of this Draft Shelf Prospectus, it comprises of:

Name	Designation	Designation
Nihar Niranjan Jambusaria	Chairperson	Non-Executive Independent Director
Arun Kumar Purwar	Member	Non-Executive Director
Ramakrishnan Subramanian	Member	Non-Executive Independent Director
Nirma Anil Bhandari	Member	Additional Non-Executive Independent Director

The scope of the Audit Committee includes the references made under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board and RBI Master Directions. The broad terms of reference of the Audit Committee are:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) 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;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;
f) Disclosure of any Related Party Transactions;
g) Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right 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 utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems or a material nature and reporting the matter to the Board;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Reviewing the utilization of loans and / or advances from / investment by the Company in its subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
22. Reviewing the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Management letters/letters of internal control weaknesses issued by the statutory auditors;
    c. Internal audit reports relating to internal control weaknesses; and
    d. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
    e. Statement of deviations:
        i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
        ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. Responsibility under Risk Based Internal Audit pursuant to RBI Circular dated February 03, 2021:
    a. Primarily responsible for overseeing IA function
    b. Approve RBIA Policy defining purpose, authority & responsibility with demarcating roles & responsibilities for IA & Risk Management function.
    c. Approve RBIA plan ensuring coverage of all risks with defined time lines
    d. Review of Audit Function atleast annually
    e. Promote use of new audit technologies / tools

f. Periodic review of RBIA policy
g. Developing effective audit function for providing quality assurance on the internal control mechanism.
h. Understanding the risk assessment methodology and approving the audit plan
i. Ensuring the adequate audit coverage to monitor compliance with policies and procedures.
j. Approving the audit charter.
k. Receiving the audit reports and deliberating on action plans to enhance the internal control environment.
l. Discussing status of (key) open issues from the previous audits and remediation action steps taken by the management.
m. Assessing the performance of IAF. The AC should also periodically assess the performance of risk based internal audits for its reliability, accuracy and objectivity.
n. Review the findings identified in the RBI Inspection report and other regulatory inspections (SEBI/Audit/Exchange Audit) and follow up on corrective actions.
o. Review the key findings in the monthly Concurrent Audit Reports.
p. Review the key audit findings with the entity Audit Committees; analyse potential impact and remediation plans.
q. To formulate and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted vide resolution passed by Circulation by the Board of Directors on May 01, 2024, effective from May 21, 2024. As on the date of this Draft Shelf Prospectus, it comprises:

Name	Designation	Designation
Nihar Niranjan Jambusaria	Chairperson	Non-Executive Independent Director
Arun Kumar Purwar	Member	Non- Executive Director
Bijou Kurien	Member	Non-Executive Independent Director

The scope of the Nomination and Remuneration Committee includes the references made under Regulation 19 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 well as Section 178 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board and RBI Master Directions. The broad terms of reference of the Nomination and Remuneration Committee are:

1. Succession planning of the Board of Directors and Senior Management Employees;
2. Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria;
3. Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
4. Formulate, review and implement from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
5. Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long- term objectives of the Company;
6. Devising a policy on diversity of board of directors;
7. Administer, monitor and formulate detailed terms and conditions of the employees’ stock option scheme;
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. Ensure ‘fit and proper’ status of proposed/ existing directors as per RBI guidelines and there is no conflict of interest in appointment of Directors on Board of the Company, KMPs and Senior Management.
10. 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, at the time of every appointment of independent director. For the purpose of identifying suitable candidates:
    a. may use the services of an external agencies if required;

b. may consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. may consider the time commitments of the candidates.

11. Ensure that the compensation levels of Key Managerial Personnel and senior management are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on internal capital adequacy assessment process.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was last reconstituted vide resolution passed by Circulation by the Board of Directors on May 01, 2024, effective from May 21, 2024. As on the date of this Draft Shelf Prospectus, it comprises:

Name	Designation	Designation
Bijou Kurien	Chairperson	Non-Executive Independent Director
Arun Kumar Purwar	Member	Non-Executive Director
R Venkataraman	Member	Joint Managing Director

The scope of the Stakeholders Relationship Committee includes the references made under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board. The broad terms of reference of the Stakeholders Relationship Committee are:

1. Approval of transfer/ transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;
2. Approval to issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
3. Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates relating to other securities;
4. Approval to issue and allot right shares/ bonus shares pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;
5. To approve and monitor dematerialization of shares/ debentures/ other securities and all matters incidental or related thereto;
6. Monitoring expeditious redressal of investors/ stakeholders grievances;
7. Review of measures taken for effective exercise of voting rights by shareholders;
8. 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;
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;
10. All other matters incidental or related to shares, debentures and other securities of the Company.

Risk Management Committee

The Risk Management Committee was last reconstituted vide a resolution passed by the Board on October 23, 2024. As on the date of this Draft Shelf Prospectus, it comprises:

Name	Designation	Designation
Nihar Niranjan Jambusaria	Chairperson	Non-Executive Independent Director
Nirma Bhandari	Member	Additional Non-Executive Independent Director
Ramakrishnan Subramanian	Member	Non-Executive Independent Director
R Venkataraman	Member	Joint Managing Director
Pranav Dholakia	Member	Chief Risk Officer

The scope of the Risk Management Committee includes references made under Regulation 21 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and RBI Master Directions. The broad terms of reference of the Risk Management Committee are as under:

1. Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;
2. To monitor and review the overall risk management plan of the Company including liquidity risk;
3. To ensure there is an embedded, robust process in place throughout the Company to identify, assess, mitigate and report business risks with clear lines of ownership;
4. To drive and co-ordinate risk management process covering all areas of risk (including operational, strategic, financial, commercial, regulatory, reputational etc);
5. To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles;
6. To ensure that the business risk management principles and processes are widely understood across the Company through adequate induction, training and awareness programmes;
7. To periodically monitor and review Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact Company's delivery of its business plans, strategy, and reputation, if left untreated;
8. To monitor external developments in the business environment which may have an adverse impact on Company's risk profile, and make recommendations, as appropriate;
9. To sponsor specialist reviews of key risk areas as appropriate;
10. To report to the Board on key risks, risk management performance and the effectiveness of internal controls;
11. To constitute operating risk management committee and delegate such powers to it as may be deemed necessary;
12. To formulate a detailed risk management policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the Company, 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.
13. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
14. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
15. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
16. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
17. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
18. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it required.
19. Any other matter as may be mandated/referred by the Authority/Board.

Corporate Social Responsibility Committee ("CSR Committee")

The Corporate Social Responsibility Committee was reconstituted vide resolution passed by Circulation by the Board of Directors on May 01, 2024, effective from May 21, 2024. As on the date of this Draft Shelf Prospectus, it comprises:

Name	Designation	Designation
Bijou Kurien	Chairperson	Non-Executive Independent Director
Nihar Niranjan Jambusaria	Member	Non-Executive Independent Director
R Venkataraman	Member	Joint Managing Director

The scope of the Corporate Social Responsibility Committee includes references made under the provisions of the Section 135 of the Companies Act, 2013. The broad terms of reference of the Corporate Social Responsibility Committee are as under:

1. To review the existing CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. The CSR policy of the Company may be accessed on the website of the company i.e. www.iifl.com
2. To provide guidance on various CSR activities and to monitor the same.

Asset Liability Management Committee ("ALCO")

The Asset Liability Management Committee was last reconstituted vide resolution passed by Circulation by the Board of Directors on May 01, 2024, effective from May 21, 2024. As on the date of this Draft Shelf Prospectus, it comprises:

Name	Designation	Designation
R Venkataraman	Chairperson	Joint Managing Director
Arun Kumar Purwar	Member	Non-Executive Director
Ramakrishnan Subramanian	Member	Non-Executive Independent Director
Kapish Jain	Member	Chief Financial Officer
Pranav Dholakia	Member	Chief Risk Officer
Govind Modani	Member	Head - Treasury

The scope of the ALCO includes the references made under RBI Master Directions. The broad terms of reference of the ALCO are:

(A) Ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
(B) Prepare forecasts (simulations) showing the effects of various possible changes in market conditions related to the balance sheet and recommend the action needed to adhere to Company's internal limits;
(C) Ensure that the Company operates within the limits / parameters set by the Board;
(D) ALCO would also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view;
(E) Measuring and managing liquidity needs and ensure Company's ability to meet its liabilities as they become due, liquidity management can reduce probability of an adverse situation developing;
(F) Present to the Board statement of assets and liabilities;
(G) Update Board on various assets and securitization of mortgage loans, commercial vehicle & gold loans;
(H) Recommending Board about the viable source of finance to cater fund requirements of the Company;
(I) Any other matter as may be mandated/referred by the Authority/Board.

Finance Committee

The Finance Committee was last reconstituted vide a resolution passed by the Board on October 18, 2023. As on the date of this Draft Shelf Prospectus, it comprises:

Name	Designation	Designation
R Venkataraman	Chairperson	Joint Managing Director
Kapish Jain	Member	Chief Financial Officer
Pranav Dholakia	Member	Chief Risk Officer
Govind Modani	Member	Head- Treasury

The terms of reference of the Finance Committee inter alia includes the following:

a. To borrow funds for and on behalf of the Company up to the maximum amount as determined by the Board of Directors of the Company from time to time.
b. 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;

c. To allot securities of the Company including equity shares, preference shares, debt securities, bonds, etc from time to time;
d. 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.
e. To enter into securitization/assignment transaction/s in the name of Company in terms of RBI Guidelines.
f. To borrow funds for meeting short term requirements of funds of the Company by issuing Commercial Paper.
g. To authorize various persons from time to time to open, operate and close Bank Accounts, Demat Accounts, Trading Account, Subsidiary General Ledger Account, Constituent Subsidiary General Ledger Account, Gilt Account, Custodian Account in the name of the Company;
h. Addition / Substitution / Withdrawal of the Signatories from time to time to operate the Bank Accounts, Demat Accounts, Trading Account, Subsidiary General Ledger Account, Constituent Subsidiary General Ledger Account, Gilt Account, Custodian Account, etc necessitated on account of change in, relocation or separation of employees;
i. 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, operation of the accounts by fax or such other mode as may be feasible from time to time;
j. 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;
k. To authorize various persons from time to time to perform various acts under the Loan Agreements or Documents, Power of Attorney(s) executed by the borrowers in favor of the Company, to open and operate bank and demat accounts on behalf of the borrower and to generally act under the said Power of Attorney(s);
l. 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;
m. 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;
n. 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;
o. 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;
p. 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;
q. To appoint Direct Selling Agent (DSA) for sourcing the business, fix criteria for selecting DSA, adopt code of conduct for DSAs and lay down guidelines for outsourcing;
r. 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:-
   i. To attend the general meetings & meetings of the creditors;
   ii. 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;
   iii. To exchange correspondence & communication with the Investee companies, companies to which the Company is a creditor;
   iv. Approving the request of transfer and transmission of securities of the Company; and
   v. Approving the request for issue of duplicate Security certificate, split Security certificates, etc.
s. To write off/ waivers and settlement cases involving POS/interest of ₹ 25 Lakhs to ₹ 1 crore.
t. Powers relating to issuance and allotment of debentures:

a. To determine terms and conditions and number of debentures to be issued.
b. Determining timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any and early redemption thereof.
c. To approve and make changes to the shelf prospectus, to approve the final shelf prospectus, and tranche prospectus including any corrigendum, amendments supplements thereto, and the issue thereof.
d. To identify the select group of persons to whom the debentures shall be issued & allotted.
e. 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.
f. 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

u. 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.
v. To authorize various persons from time to time under Income Tax Act, Goods and Services Tax and other taxation laws.
w. 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.
x. To do all such acts, deeds, matter and things, as may be necessary in connection with the Median Term Notes (Notes), including but not limited to appointment of various intermediaries//agencies/exchanges, seeking necessary regulatory consents and further to delegate the powers extended unto them to such person(s) as they may deem fit for execution of documents pertaining to the Notes.
y. To do all such acts, deeds, matter and things, as may be necessary in connection with the Public Issue of NCDs, including but not limited to appointment of various intermediaries//agencies/exchanges, seeking necessary regulatory consents and further to delegate the powers extended unto them to such person(s) as they may deem fit for execution of documents pertaining to the NCDs.

IT Strategy Committee

The IT Strategy Committee was last reconstituted vide a resolution passed by the Board on October 23, 2024. As on the date of this Draft Shelf Prospectus, it comprises:

Constitution of the IT Strategy Committee is as set out below:

Name of Member	Designation	Designation
Nirma Anil Bhandari	Chairperson	Additional Non-Executive Independent Director
Bijou Kurien	Member	Non-Executive Independent Director
Ramakrishnan Subramanian	Member	Non-Executive Independent Director
Pranav Dholakia	Member	Chief Risk Officer
Gaurav Sharma	Member	Chief Technology Officer
Vishal Shirke	Member	Head Engineering - Enterprise Application
Sameer Gadve	Member	Chief Information Security Officer

The scope of the IT Strategy Committee includes the references made under RBI Master Directions. The broad terms of reference of the IT Strategy Committee are:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the

business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. 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;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls;
6. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
7. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
8. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
9. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
10. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
11. Periodically reviewing the effectiveness of policies and procedures;
12. Communicating significant risks in outsourcing to the NBFC's Board on a periodic basis;
13. Ensuring an independent review and audit in accordance with approved policies and procedures;
14. Ensuring that contingency plans have been developed and tested adequately;
15. Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing;
16. To work in partnership with other Board committees and Senior Management to provide input to them. It will also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;
17. Any other matter as may be mandated/referred by the Authority/Board.

Further, the Board of Directors of the Company has constituted various other committees comprising of senior management persons for day to day operations of the Company viz. Credit and Investment Committee, Senior Management Committee, Environment & Social Governance Committee and Customer Service Committee.

OUR PROMOTERS

The Promoters of our Company are Nirmal Bhanwarlal Jain and R. Venkataraman. As on September 30, 2024, our Promoters collectively with other Promoter Group and persons acting in concert hold 10,56,74,667 Equity Shares equivalent to 24.91% of the Equity Share capital of our Company.

	Nirmal Bhanwarlal Jain **Date of Birth**: December 11, 1966 **Educational Qualifications**: Nirmal Bhanwarlal Jain holds Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad (IIMA) and is a rank holder Chartered Accountant and Cost Accountant.
	R Venkataraman **Date of Birth**: July 27, 1967 **Educational Qualifications**: R Venkataraman holds Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur.

Our company confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s),Passport Number and personal addresses of the Promoters and Permanent Account Number of Directors will be submitted to the Stock Exchanges, at the time of filing this Draft Shelf Prospectus with the Stock Exchanges.

For detailed profile of our Promoters please see "*Our Management*" on page 208 of this Draft Shelf Prospectus.

Promoter Group and persons acting in concert

In addition to the Promoters named above, the names of the persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(I)(zb) of the SEBI ICDR Regulations and Section 2(1)(ff) of SEBI NCS Regulations along with their shareholding as on September 30, 2024 are set out below:

Sr. No.	Name of Promoter Group	No. of Equity Shares	% Percentage
1.	Madhu N. Jain	1,35,22,764	3.19
2.	Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,11,11,111	2.62
3.	Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	1,00,00,000	2.36
4.	Aditi Athavankar	2,22,222	0.05
5.	Ardent Impex Pvt Ltd	36,32,115	0.86

Sr. No.	Name of Promoter Group	No. of Equity Shares	% Percentage
6.	Orpheus Trading Pvt Ltd	14,44,444	0.34

Interest of our Promoters

Except as stated under related party transactions in the section "*Related Party Transactions*" on page 237 and to the extent of its shareholding in our Company, our Promoters do not have any other interest in our Company's business. Accordingly, our Promoters are also interested to the extent that they are eligible for dividend that may be declared by our Company. Our Promoters do 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 Draft 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 Promoters do not intend to subscribe to this Issue.

Our Promoters have no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoters or members of Promoter Group out of the Objects of the Issue.

Payment of benefit to the Promoters in last three years

Other than as disclosed under the section *"Related Party Transactions"* on page 237, remuneration paid as Directors as disclosed in "Our management" at page 208, and other than the dividend declared and paid by our Company, the Company has not made payments of any benefits to the Promoters during the last three years preceding the date of this Draft Shelf Prospectus.

Equity share allotted to our Promoters in last three fiscal years

Other than disclosed below, as on the date of this Draft Shelf Prospectus, no equity shares have been allotted to the Promoters in the last three financial years and current financial year.

S.No.	Name of Promoter	No. of Equity Shares	Date of Allotment	Face Value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc)	Nature of Allotment
1.	Nirmal Bhanwarlal Jain	57,21,416	May 17, 2024	2	300	Cash	Rights Issue
2.	R Venkataraman	13,17,009	May 17, 2024	2	300	Cash	Rights Issue

Details of shares pledged or encumbered by our Promoters

No shares have been pledged or encumbered by our Promoters as of the date of this Draft Shelf Prospectus.

Other understandings and confirmations

Our Promoters have 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.

Except as disclosed in the section titled "*Outstanding Litigation*" on page 323 of this Draft Shelf Prospectus, no violations of securities laws have been committed by our Promoters in the past or no proceedings are currently pending against them.

Our Promoters are not a promoter or a whole-time director of another company that is a wilful defaulter.

Our Promoter have 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.

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 Promoters are 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 Draft Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

None of our Promoters are 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 Promoters have not been declared as fugitive economic offender.

Our Promoters 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 Promoters out of the Objects of the Issue.

No regulatory action is pending against the Promoters before SEBI or the RBI.

Details of Promoters and Promoter Group's shareholding in our Company as on September 30, 2024:

Name of Promoters / Promoter Group	Total Number of Equity Shares held	Number of Equity Shares in demat form	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
Nirmal Bhanwarlal Jain	5,34,40,570	5.34,40,570	12.60	Nil	Nil
Madhu N. Jain	1,35,22,764	1,35,22,764	3.19	Nil	Nil
R Venkataraman	1,23,01,441	1,23,01,441	2.90	Nil	Nil
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,11,11,111	1,11,11,111	2.62	Nil	Nil
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	1,00,00,000	1,00,00,000	2.36	Nil	Nil
Aditi Athavankar	2,22,222	2,22,222	0.05	Nil	Nil
Ardent Impex Pvt Ltd	36,32,115	36,32,115	0.86	Nil	Nil
Orpheus Trading Pvt Ltd	14,44,444	14,44,444	0.34	Nil	Nil

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 251, for Audited Consolidated Financial Statements for Fiscal 2024, Audited Standalone Financial Statements for Fiscal 2024, Audited Consolidated Financial Statements for Fiscal 2023, Audited Standalone Financial Statements for Fiscal 2023, Audited Consolidated Financial Statements for Fiscal 2022 and Audited Standalone Financial Statements for Fiscal 2022, notes no. 42, 44, 41, 41, 41 and 42 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. as on 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 the Fiscal 2024, Fiscal 2023 and Fiscal 2022 with regard to loans made or, guarantees given or securities provided:

(₹ in crore unless otherwise stated)

Name of Related Party	Fiscal	ICD/Loan Given	Guarantees given	Securities provided
IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*	2022	1,739.00	-	50.00
IIFL Management Services Limited	2022	50.00	-	-
IIFL Facilities Services Limited	2022	2,663.50	-	-
IIFL Home Finance Limited	2022	3,284.40	-	-
IIFL Samasta Finance Limited	2022	550.00	-	-
5paisa Capital Limited	2022	600.00	-	-
IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*	2023	1,065.00	-	-
IIFL Samasta Finance Limited	2023	100.00	-	-
5paisa Capital Limited	2023	700.00	-	-
360 ONE WAM Limited	2023	-	-	6.10
IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*	2024	1,075.00	-	-
IIFL Samasta Finance Limited	2024	300.00	-	-
5paisa Capital Limited	2024	150.00	-	-

Related party transactions entered during the current financial year for the period up to April 1, 2024 till September 30, 2024, with regard to loans made or, guarantees given or securities provided:

(₹ in crore unless otherwise stated)

Name of Related Party	ICD Given	Guarantees given	Securities provided
-	-	-	-

REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, 1961 and applicable tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time. Investors shall carefully consider the information described below, together with the information set out in other sections of this Draft Shelf Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

The following description is a summary of certain sector specific laws and regulations and policies as prescribed by the Government of India and other regulatory bodies, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

NBFC Regulations

The Reserve Bank of India Act, 1934

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act, 1934 ("RBI Act") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f) as:

i. a financial institution which is a company;

ii. a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

iii. such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

Section 45-I(c) of the RBI Act, defines "financial institution" to mean any non-banking institution which, among other things, carries on the business of, or part of its business of, financing, by way of making of loans or advances or otherwise, of any activity other than its own; the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/ construction of immovable property.

The RBI has clarified through a press release dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (a) its financial assets are more than 50 per cent. of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50 per cent. of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within 5 working days from the date of signing of the auditor's report in terms of section 134 of the Companies Act, 2013, but not later than December 31 of same year, in any case, based on audited books of accounts of the applicable entity for the preceding financial year.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration ("**CoR**"). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, the RBI has raised the requirement of minimum net owned fund ("**NOF**") of ₹ 2 crore for the NBFCs not availing public funds.

Further under Section 45 - IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent. of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a non-deposit taking NBFC or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI.

NBFCs are primarily governed by the RBI Act, Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction– Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, Reserve Bank Commercial Paper Directions, 2017, Guidance Note on Operational Risk Management and Operational Resilience' dated 30 April 2024 and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time, and some such key circulars, notifications, guidelines and directions are further described below.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

i. An NBFC cannot accept deposits repayable on demand;
ii. NBFCs are not allowed to deal in foreign exchange;
iii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and
iv. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositor of NBFCs.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to function as an NBFC.

Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 (updated as on 10 October 2024) ("SBR Directions")

On October 19, 2023 the RBI issued the SBR Directions which is 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 Rs. 1,000 core 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.

The NBFC- ML consist of (a) all deposit taking NBFCs ("NBFC-Ds"), irrespective of asset size, (b) non-deposit taking NBFCs ("**NBFC-ND**") with asset size of Rs. 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 Annex I 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-UL. Such NBFC shall move to the NBFC-TL.

Our Company, being a NBFC-ND, with an asset size of more than Rs. 1,000 crore, is classified as NBFC-ML under the SBR Directions.

Prudential Norms

The SBR Directions, amongst other requirements, prescribe guidelines on NBFC-ML regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

Every NBFC (except microfinance loans of NBFC-MFIs), after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the SBR Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, pursuant to the provisions of SBR Directions, all NBFCs (except NBFC-UL) make provisions for standard assets at 0.40 per cent. of the outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Capital Adequacy Norms

Every NBFC should maintain, a minimum capital ratio consisting of Tier 1 and Tier 2 Capital of not less than 15 per cent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained, wherein Tier 1 capital in respect of NBFC (except NBFC-MFI and NBFC primarily engaged in lending against gold jewellery), at any point of time, shall not be less than 10 percent. Further, NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 per cent or more of their financial assets) are required to maintain a minimum Tier 1 capital of 12.00 per cent. Also, the total of the Tier 2 Capital of a ND-NBFC shall not exceed 100 per cent. of the Tier 1 capital.

Credit Concentration Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the SBR Directions, prescribed credit exposure limits for financial institutions in respect of their lending to single/group borrowers.

For an NBFC – UL: Credit exposure to a single counterparty shall not exceed 20 per cent of the Company's available eligible capital base at all times. Board of the NBFC may allow additional 5 percent exposure beyond 20 percent but at no time higher than 25 percent of the NBFC's eligible capital base, subject to the following conditions: (a) NBFC has a policy approved by its board of directors setting out conditions under which exposure beyond 20 percent may be considered; and (b) NBFC shall record in writing the exceptional reasons for which exposure beyond 20 percent is being allowed in a specific case.

The credit exposure to a group of connected counterparties shall not exceed 25 per cent of the Company's available eligible capital base at all times. However, the Company may exceed the exposure limit by 10 percent of its Tier 1 capital for exposure to a group of connected counterparties, if the additional exposure is on account of infrastructure loan and/or investment.

For NBFC – BL and NBFC - ML: Credit exposure to a single counterparty shall not exceed 25 percent of their Tier 1 capital at all times and 40 percent of their Tier 1 capital to a single group of parties. However, the NBFCs may exceed these limits by 5 percent for a single party and 10 percent for a group if the excess is related to infrastructure loans or investments. For NBFC-IFC, the limits are slightly higher, allowing 30 percent exposure to a single party and 50 percent to a group.

Further NBFCs-BL shall put in place an internal Board approved policy for credit/investment concentration limits for both single borrower/party and single group of borrowers/parties.

Asset Classification

The SBR Master Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

i. Standard assets;
ii. Sub-standard assets;
iii. Doubtful assets; and
iv. Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40 per cent.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 2 crore.
For this purpose, the RBI Act has defined "Net Owned Fund" to mean:
Net Owned Fund —
(1) The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting:
(i) accumulated balance of losses,
(ii) deferred revenue expenditure,
(iii) deferred tax asset (net); and
(iv) other intangible assets,
(2) further reduced by the amounts representing,
(i) investment by such companies in shares of (a) its subsidiaries, (b) companies in the same group, (c) other NBFCs; and
(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (a) subsidiaries of such companies; and (b) companies in the same group, to the extent such amount exceeds 10 per cent. of (1) above.

Maintenance of liquid assets

Every NBFC-D shall invest and continue invest in unencumbered approved securities valued at a price not exceeding the current market price and in unencumbered approved term deposits / approved bonds, an amount which shall at the close of business on any day be not less than 15.0% of public deposits outstanding at the close of business on the last working day of the second preceding quarter.

NBFCs such as the Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

All NBFCs are required to inform the RBI of any change in the address, telephone no's, etc. of its registered office/corporate office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs with an asset size of Rs. 100 crore and above and all NBFC-Ds are required to adhere to the guidelines for liquidity risk management provided under the SBR Directions.

Guidelines for NBFCs with gold loan business

The RBI pursuant to the SBR Directions has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75 per cent. for loans granted against the collateral of gold jewellery. The SBR Directions has issued guidelines with regard to the following:

i. Appropriate infrastructure for storage of gold ornaments: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewellery including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

ii. Prior approval of RBI for opening branches in excess of 1,000: It is henceforth mandatory for NBFC to obtain prior approval of the RBI to open branches exceeding 1,000. However, NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

iii. Standardisation of value of gold in arriving at the loan to value ratio: For arriving at the value of gold jewellery accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by BBA or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.

iv. Verification of the Ownership of gold: NBFCs should have Board approved policies in place to satisfy ownership of the gold jewellery and adequate steps be taken to ensure that the KYC guidelines stipulated by the RBI are followed and due diligence of the customer undertaken. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. The method of establishing ownership should be laid down as a Board approved policy.

v. Auction Process and Procedures: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

(a) The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located. While auctioning the gold, the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85 per cent. of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

(b) It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.

(c) NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

vi. Other Instructions:

i. NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above Rs. 500,000.

ii. Documentation across all branches must be standardised.

iii. NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

*Master Direction – Know Your Customer ("**KYC**") Directions, 2016 dated 25 February 2016 (updated as on 4 January 2024), as amended ("**RBI KYC Directions**")*

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated there under is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit — India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and common reporting standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

Master Circular – Bank Finance to Non-Banking Financial Companies dated April 24, 2024 ("Master Circular - Bank Finance to NBFC")

The RBI has issued Master Circular – Bank Finance to NBFC, as amended, relating to financing of NBFCs by banks. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as:

i. bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising from sale of - commercial vehicles (including light commercial vehicles), and two wheeler and three wheeler vehicles, subject to the conditions prescribed under Master Circular - Bank Finance to NBFC.
ii. investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
iii. unsecured loans / inter-corporate deposits by NBFCs to / in any company.
iv. all types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
v. finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings ("IPOs") and for purchase of shares from secondary market.

Norms for excessive interest rates

All NBFCs must formulate appropriate internal procedures for determining interest rates, processing and other charges. The board of each NBFC shall adopt an interest rate model considering the various relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers shall be required to be disclosed to the borrowers in the application form and communicated explicitly in the sanction letter as well as on the company's website. Furthermore, the rate of interest would have to be annualised so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by non-deposit taking NBFC-MLs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio, etc. as at the end of March every year, in a prescribed format. Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within 5 working days from the date of signing of the auditor's report in terms of section 134 of the Companies Act, 2013, but not later than December 31 of same year, in any case, based on audited books of accounts of the applicable entity for the preceding financial year, together with such other submissions/returns to the RBI as specified in the Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024, as amended and any other related rules, regulations, directions, circulars.

Asset Liability Management

NBFCs, in terms of the SBR Directions are required to have in place an asset liability management ("**ALM**") system for managing liquidity risk of the NBFCs. This involves the categorization of all assets and liabilities into different maturity profiles and evaluating these items for any mismatches in any particular maturities, especially in the short term. The ALM system rests on the functioning of ALM information systems within the NBFC, including an Asset Liability Committee ("ALCO") and ALM support groups, and the ALM process including entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection etc.

The ALCO consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The role of the ALCO with respect to liquidity risk should include, inter alia, 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.

The ALM Support Group consisting of the operating staff shall be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. Such support groups will be constituted depending on the size and complexity of liquidity risk management in an NBFC.

The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the net cumulative negative mismatches in the maturity buckets 1-7 days, 8-14 days, and 15- 30 days shall not exceed 10 percent, 10 percent and 20 percent of the cumulative cash outflows in the respective time buckets.

Anti-Money Laundering

The RBI has issued a Master Circular dated 1 July 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than Rs 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below Rs 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds Rs 10 lakh; (iii) all transactions involving receipts by non-profit organisations of value more than Rs. 10 lakh; (iv) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security or a document has taken place facilitating the transaction; and (v) all suspicious transactions, whether or not in cash.

Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.
Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least five years from the date of the transaction. The identification records and transaction data is to be made available to the competent authorities upon request.
RBI Notification dated 3 December 2015 titled "Anti-Money Laundering (AML)/Combating of Financing of Terrorism (CFT) — Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on 23 October 2015.

Accounting Standards & Accounting policies

Subject to the changes in Indian Accounting Standards ("IAS") and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to thereby.
Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024

The said master directions are applicable on supervised entities which includes all NBFCs except for HFCs and asset reconstruction companies. The said master direction prescribes for provisions in relation to responsibilities of the board and senior management, data architecture and IT infrastructure, accuracy and integrity in reporting, applicable returns, a general description of such returns, timelines for return submissions, alternate timelines for specific returns, mode of submission of returns along with details of online portals for filing applicable returns by NBFCs.

Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024

The said master direction aims to promote transparency and fairness in the classification of borrowers as wilful defaulters by lenders, including NBFCs, and to establish a system for sharing credit information about these defaulters to alert other lenders. This directive will take effect 90 days after being published on the RBI website and applies to 'lenders' including all India financial institutions, banks, or NBFCs providing credit to the borrower. Additionally, regardless of an entity's classification as a 'lender,' restrictions on further financial support to wilful defaulters and provisions for large defaulters will apply to all entities regulated by RBI.

The directions set forth a detailed process for identifying the wilful defaulters, so that the penal provisions are applied in a fair manner and the scope for discretion is obviated, and require a transparent mechanism throughout the identification process, including a role for internal audits. The said master direction also outline: (a) procedures for reporting and sharing credit information on wilful and large defaulters with CICs; (b) handling of compromise settlements with wilful defaulters; (c) treatment of defaulted loans transferred to other lenders and asset reconstruction companies; (d) approach for accounts resolved under the Insolvency and Bankruptcy Code, 2016/ resolution framework guidelines issued by RBI; and (e) preventive measures that lenders, statutory auditors, and third parties should take to prevent and identify wilful defaults.

Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024

The said master direction issued by RBI on January 3, 2024 are applicable on all persons/agencies dealing in commercial paper and/or non-convertible debentures of original or initial maturity up to one year and the same have been made effective from April 01, 2024. The eligible issuers under the said master directions include NBFCs. The issuance under these directions is subject to condition that all fund-based facilities availed, if any, by the eligible issuer from banks/ all India financial institutions/ NBFCs are classified as 'standard' at the time of issue. The said master direction provides for, among other provisions, a list of eligible investors, general guidelines (in relation to primary issuance, discount / coupon rate, credit enhancement, end-use of funds, rating requirement, primary and secondary market related conditions, buyback, repayment, default, market timing and practices), reporting requirements, roles and responsibilities of (a) issuing and paying agent, (b) debenture trustee, and (c) credit rating agency. Further, it has been stated that the public deposit directions shall not be applicable to the NBFCs raising funds by issuance of commercial papers in accordance with the aforesaid master directions.

*Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 ("**Securitisation Directions**")*

Securitisations of identified loan assets of NBFCs is regulated by the Securitisation Directions. The Securitisation Directions are applicable to, inter alia, NBFCs.

The Securitisation Directions regulate securitisation of standard assets and intend to legally isolate the transferred exposures from the originator in such a way that the exposures are put beyond the reach of the originator or its creditors, even in bankruptcy (especially the Insolvency and Bankruptcy Code. 2016) or administration. Investors who purchase securitisation notes have a claim only to the underlying exposures. There are minimum holding periods and minimum retention requirements ("MRR") that apply. The Securitisation Directions prescribes a minimum retention requirement of 5% of the loans being securitised, if the maturity is of 24 months or less. The MRR for loans with a maturity period of more than 24 months is 10% of the book value of the loan being securitised. Further, the Securitisation Directions mandates NBFCs to regularly perform stress tests while taking into consideration, inter alia, default rates in the underlying portfolios, rise in pre-payment rates due to fall in rate of interest and rise in income levels of borrowers. Securitisation Directions mandates NBFCs to have policies for the purposes of monitoring credit and assessing the valuation of securitisation notes.

*RBI Master Direction on Transfer of Loan Exposures dated 24 September 2021, as amended ("**Master Direction on Transfer of Loan Exposures**")*

The Master Direction on Transfer of Loan Exposures are applicable to inter alia NBFCs including HFCs. The Master Direction on Transfer of Loan Exposures lay down the conditions for transfer of loans, including allowing transfer of loans by lenders to only certain permitted transferees. Pursuant to the Master Direction on Transfer of Loan Exposures, the board must approve a policy for transfer and acquisition of loan exposures that states the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic board level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer or acquisition of loans from that of personnel involved in originating the loans. Further, the Master Direction on Transfer of Loan Exposures also state that loan transfers should result in transfer of economic interest without being accompanied by any change in underlying terms and conditions of the loan contract usually.

Master Directions on Fraud Risk Management in Non-Banking Financial Companies dated July 15, 2024

The said master direction has been issued with a view to providing a framework for prevention, early detection and timely reporting of incidents of fraud to law enforcement agencies, RBI. These directions are applicable to all NBFCs (including housing finance companies) in the upper layer, middle layer and in the base layer (with asset size of ₹ 500 crore and above). The said master directions provides for provisions relating to governance structure for fraud risk management, requirement of framework for early warning signals for detection of frauds, role of internal and external audits for detection of fraudulent activities, applicable penal measures for the persons / entities classified and reported as fraud, reporting of cases of frauds to law enforcement agencies and RBI and such other provisions in relation to the fraud monitoring and reporting in NBFCs.

Further, the said master direction require the NBFCs to formulate and establish various mechanisms, policies, frameworks etc. for fraud monitoring which includes: (i) constitution of a special committee comprising of at least two independent directors and chief executive officer to oversee the effectiveness of fraud risk management, monitor fraud cases and suggest mitigating measures; (ii) constitution of transparent mechanism to ensure that whistle blower complaints on possible fraud cases / suspicious activities in account(s) are examined and concluded appropriately under the whistle blower policy; (iii) set up of organisational structure for institutionalisation of fraud risk management within overall risk management functions / department; (iv) establishment of a framework for early warning signs to detect potential frauds in credit facilities, loan accounts, and other financial transactions (to be complied within 6 months of the date of issuance of these master directions). Further, the Master Direction provides for detailed compliances for the reporting of fraudulent cases / accounts including but not limited to (a) establishment of suitable nodal point(s)/ designate officer(s) for reporting incidents of fraud to and coordination with law enforcement agencies (b) furnishing fraud monitoring returns (FMR) in individual fraud cases; (c) separate reporting of frauds perpetrated in their group entities; (d) criteria for the closure of fraud cases and maintenance of record of such closed cases for auditors examinations; (e) reporting of theft, burglary, dacoity, and robbery cases within 7 days of their occurrence and submission of return on the same to RBI on quarterly basis.

Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023

The said master direction consolidates, updates, and integrates guidelines, instructions, and circulars on information technology (IT) governance, risk management, controls, assurance practices, and business continuity/disaster recovery management. The said directions apply to regulated entities, including NBFCs in the ‘Top Layer,’ ‘Upper Layer,’ and ‘Middle Layer.’ The said directions require regulated entities to implement specific frameworks and policies, providing guidance on: (a) roles of the board of directors, (b) establishment of an IT strategy committee and senior management and IT steering committee, (c) appointment of a senior, technically competent, and experienced head of IT, (d) management of infrastructure and services, including audit requirements, system logging, and audit trails, (e) regular risk and vulnerability assessments/penetration testing for critical and non-critical information systems, (f) development of processes to enhance incident response and recovery based on past incidents and test drills, (g) systems for business continuity and disaster recovery management, and (h) a dedicated information systems audit function or professionals within internal audit with the necessary expertise and skills.

Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

The said master direction has been issued by RBI on December 29, 2023 to enhance the internal grievance redressal system within regulated entities and expedite customer complaint resolution. This directive outlines requirements for the appointment of an internal ombudsman, deputy internal ombudsman, and covers their qualifications, tenure, roles and responsibilities, removal procedures, complaint handling processes, and more.

Under the said master direction, applicable NBFCs are required to: (a) assign necessary officers or staff to support the internal ombudsman; (b) determine, through the customer service or consumer protection committee, the ombudsman’s compensation, facilities, and benefits in alignment with their seniority; (c) conduct an annual internal audit to assess compliance with these directions; (d) have the customer service/consumer protection committee review cases where an internal ombudsman’s decision is rejected, with RBI approval required for rejections; (e) create a standard operating procedure and fully automated complaint management system for escalating complaints partly or fully rejected by the internal grievance system to the internal ombudsman; (f) ensure the staff is well-informed of the guidelines related to this direction upon appointing an internal ombudsman; and (g) submit quarterly and annual reports to the RBI's Consumer Education and Protection Department, Central Office, using the specified formats.

Guidance Note on Operational Risk Management and Operational Resilience dated April 30, 2024

To strengthen operational risk management among regulated entities (REs) and boost resilience within the interconnected financial system, the RBI released a new guidance note on operational risk management and resilience on April 30, 2024 ("Guidance Note"). This update replaces the previous "Guidance Note on Management of Operational Risk" from October 14, 2005, which did not apply to NBFCs but now includes them. The updated Guidance Note uses a principle-based, proportional approach to facilitate smooth implementation across REs of varied sizes, complexity, geographic reach, and risk profiles. It is structured around three pillars: (i) prepare and protect, (ii) build resilience, and (iii) learn and adapt.

Pillar 1 introduces a "three lines of defense" model for operational risk management: (i) Business unit management, tasked with identifying and managing risks in the products, services, activities, processes, and systems they oversee, with REs required to define roles and responsibilities for relevant units in policy; (ii) organizational operational risk management, including compliance, which must establish policies, standards, and guidelines for risk management and have an independent reporting line separate from risk-generating business units; and (iii) an audit function that provides the board with independent assurance on the suitability of the RE's operational risk management, conducted through internal or external audits or qualified third parties.

The Guidance Note also sets out core principles for each pillar, directing REs to establish mechanisms, criteria, committees, frameworks, policies, and codes of conduct, including, but not limited to: (a) a fully integrated operational risk management framework documented in board-approved policies; (b) a board-approved policy on service provider management to handle risks from third-party reliance, whether related or unrelated; (c) a forward-looking business continuity plan with scenario analyses, impact assessments, and recovery procedures; and (d) a robust information and communication technology risk management program, including cybersecurity safeguards.

Circular on Key Fact Statement (KFS) for loans and advances dated April 15, 2024

In order to harmonize the instructions on the financial products being offered by various regulated entity (including NBFCs) and enhance transparency, the RBI has issued a circular on April 15, 2024 replacing certain instructions in relation to key fact statement and disclosure of annual percentage rate specified in the master direction on 'Regulatory Framework for Microfinance Loans' dated March 14, 2022 and 'Guidelines on Digital Lending' dated September 2, 2022. The aforesaid circular shall be applicable on all retail and MSME term loans extended by all regulated entities (including NBFCs) and are required to be complied with on or after October 01, 2024. The said circular provides as follows: (a) definition of the following terms 'Key Facts', 'Key Fact Statement ("KFS")', 'Annual Percentage Rate ("APR")' and 'Equated Periodic Instalment (EPI)'; (b) require NBFCs to provide a KFS to all prospective borrowers before executing the loan contract as per the standardised format; (c) to include KFS as summary box attached in the loan agreement; (d) provide for the following in KFS: unique proposal number, computation sheet of APR, the amortisation schedule of the loan over the loan tenor, validity period of KFS as prescribed in the circular, (d) NBFCs to include all charges which are levied by it including charges recovered on behalf of third-party service providers on actual basis in the APR and provide all receipts and related documents to borrower for each payment from time to time; (e) NBFCs should not charge any fees or charges not mentioned in the KFS at any stage during the term of the loan, without explicit consent of the borrower. Further, it has been specified that credit card receivables are exempted from the provisions of the aforesaid circular.

Circular on Fair Practice Code for Lenders – Charging of Interest dated April 29, 2024

The RBI has issued the circular on Fair Practices Code for Lenders – Charging of Interest ("**Circular on Fair Practices**") dated April 29, 2024. The Circular on Fair Practices is applicable to all the regulated entities (including NBFCs) in relation to charging of interest rates. In view of the same, NBFCs have been directed to review their practices regarding mode of disbursal of loans, application of interest and other charges and take corrective action, including system level changes, as may be necessary, to address the issues highlighted above. NBFCs are also being encouraged to use online account transfers in lieu of cheques being issued in a few cases for loan disbursal.

Notification on Extension of Timeline for Implementation of Instructions of Fair Lending Practice - Penal Charges in Loan Accounts

The circular on 'Fair Lending Practice - Penal Charges in Loan Accounts' dated August 18, 2023, initially set the implementation date for January 1, 2024. However, through a notification on December 29, 2023, the RBI extended this timeline by three months in response to requests from certain regulated entities for additional preparation time. As a result, the instructions must now be applied to all new loans issued from April 1, 2024, onward. For existing loans, the transition to the new penal charges framework should occur on the next review or renewal date on or after April 1, 2024, but no later than June 30, 2024.

*Circular – Legal Entity Identifier ("**LEI**") for Borrowers dated April 21, 2022*

RBI has extended guidelines on LEI to NBFCs. Non-individual borrowers with an aggregate exposure of 50 million must obtain LEI codes in a phased manner by April 30, 2025. The aggregate exposure includes all fund based and non-fund based (credit as well as investment) exposure towards the borrower, taking the higher of sanctioned limit or outstanding balance for the purpose. Borrowers (other than government departments and agencies) who fail to obtain LEI codes cannot be sanctioned any new exposure norm be granted renewal or enhancement of any existing exposure.

SEBI Regulations

The Securities and Exchange Board of India (SEBI) regulates listed companies under the authority granted by the Securities and Exchange Board of India Act, 1992, as amended. Utilizing these powers, SEBI establishes regulations for listed entities to uphold high standards of investor protection and corporate governance.

As a listed entity dealing in both equity and debt, the Issuer must adhere to applicable rules and regulations, which include, but are not limited to, the SEBI Listing Regulations, and the SEBI NCS Regulations, each as amended. The SEBI Listing Regulations mandate that entities comply with ongoing disclosure obligations and corporate governance standards related to their listed securities, ensuring transparency in processes and ethical practices within the capital markets. The SEBI NCS Regulations are designed to regulate the issuance and listing of debt securities and non-convertible redeemable preference shares, whether through public offerings or private placements.

Legislative Framework for Recovery of Debts And Bankruptcy

*Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended (the "**SARFAESI Act**")*

The SARFAESI Act, as amended, states that if a borrower defaults on a secured debt and their account is classified as a non-performing asset, the secured creditor can issue a written notice requiring the borrower to fully discharge their liabilities within 60 days. If the borrower fails to do so, the secured creditor is entitled to exercise one or more of the following rights.

The secured creditor may take possession of the secured assets or assume control of the borrower's business, including the right to lease, assign, or sell the assets to recover the secured debt. Additionally, where a financial asset is financed by multiple secured creditors or through joint financing of financial assets by secured creditors, no individual secured creditor may exercise any rights unless the action is approved by secured creditors representing at least sixty percent of the outstanding amount as of a record date. This decision will be binding on all the secured creditors.

The SARFAESI Act also establishes the framework for asset reconstruction companies, which are regulated by the RBI. These asset reconstruction companies can acquire financial assets from banks and financial institutions by issuing debentures, bonds, or other securities, as agreed upon with the respective bank or financial institution, or by entering into agreements for the transfer of such financial assets under mutually agreed terms and conditions.

*Recovery of Debts due to Banks and Financial Institutions Act, 1993, as amended ("**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 Debt Recovery Tribunals ("**DRTs**"), procedure for making application to 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, 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.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") amends certain provisions of existing legislation, including the Companies Act, 2013, and aims to consolidate existing insolvency laws for companies, corporate entities, and individuals. It establishes the Insolvency and Bankruptcy Board of India (IBBI) to regulate insolvency professionals, agencies, and information utilities while performing various legislative, administrative, and quasi-judicial functions. The Bankruptcy Code classifies creditors as financial creditors, who are owed debts for financial considerations, and operational creditors, who are owed debts for goods, services, or employment-related payments.

The Bankruptcy Code sets a 330-day timeline for resolving insolvency applications, including time spent on related litigations. As part of the resolution process, any insolvency resolution plan developed by insolvency professionals must receive approval from at least 66% of the voting share of financial creditors, who are calculated based on their financial debts, including interest. If the plan is rejected, the adjudicating authority will issue a liquidation order.
Pursuant to the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 and Ministry of Corporate Affairs Notification S.O. 4139(E) dated November 18, 2019, the Bankruptcy Code is applicable to NBFCs with an asset size of at least ₹ 500 crore. However, only RBI can commence a corporate insolvency resolution process against NBFCs.

Legislative Framework for Data Protection

*The Digital Personal Data Protection Act, 2023 ("**DPDP Act**")*

The DPDP Act was passed by Parliament on August 9, 2023, received presidential assent, and was notified on August 11, 2023. This legislation aims to strike a balance between individuals' rights to protect their personal data and the necessity of processing that data for lawful and incidental purposes. Data fiduciaries, responsible for determining the means and purposes of personal data processing, are required to provide a clear and itemized notice to data principals, detailing the personal data to be collected and the reasons for processing it. Personal data can only be processed for lawful purposes with the individual's consent, which must be sought through a notice outlining the data to be collected and its intended use. Individuals can withdraw their consent at any time.

Data principals whose information is being processed have several rights, including the right to (i) obtain information about how their data is processed, (ii) request corrections or erasure of their personal data, and (iii) appoint someone else to exercise these rights in the event of their death or incapacity. The DPDP Act also establishes duties for data principals, such as not filing false or frivolous complaints or impersonating others in certain situations. Additionally, data fiduciaries are obligated to (i) take reasonable steps to ensure data accuracy and consistency, (ii) implement adequate security measures to prevent data breaches, (iii) notify the Data Protection Board of India and affected individuals in case of a breach, and (iv) delete personal data when consent is withdrawn or when it is no longer necessary for the specified purpose, whichever occurs first.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION

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1.	H1 2025 Unaudited Consolidated Financial Results	F1 – F9
2.	H1 2025 Unaudited Standalone Financial Results	F10 – F19
3.	Audited Consolidated Financial Statements for Fiscal 2024	F20 – F117
4.	Audited Standalone Financial Statements for Fiscal 2024	F118 – F245
5.	Audited Consolidated Financial Statements for Fiscal 2023	F246 – F349
6.	Audited Standalone Financial Statements for Fiscal 2023	F350 – F472
7.	Audited Consolidated Financial Statements for Fiscal 2022	F473 – F576
8.	Audited Standalone Financial Statements for Fiscal 2022	F577 – F698

Sharp & Tannan Associates	G. M. Kapadia & Co.
Chartered Accountants	**Chartered Accountants**
87, Nariman Bhavan,	1007, Raheja Chambers
227, Nariman Point, Mumbai – 400 021.	213, Nariman Point, Mumbai – 400 021.

Independent Auditors' Review Report on Consolidated Unaudited Quarterly and half yearly Financial Results of the Company Pursuant to the Regulation 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF
IIFL Finance Limited

Introduction

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of IIFL Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and half year ended September 30, 2024 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of the Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. 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.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr No	Name of the Entities	Relationship
1	IIFL Finance Limited	Holding Company
2	IIFL Home Finance Limited	Subsidiary
3	IIHFL Sales Limited	Stepdown-Subsidiary
4	IIFL Samasta Finance Limited	Subsidiary
5	IIFL Open Fintech Private Limited	Subsidiary

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

G. M. Kapadia & Co. MUMBAI Chartered Accountants

Emphasis of Matter

5. In this section, we reproduce hereunder Emphasis of Matter section of our review report of even date issued on the standalone financial results for the quarter and half year ended September 30, 2024, of the Holding Company:

   We refer to the note 9 that describe lifting of Reserve Bank of India's embargo on the Company to cease and desist from continuing with its gold loan business activities which had resulted in uncertainties over the company's ability to continue its operations as a going concern and the note 10 explaining the rationale for provision of investments in Security Receipts.

   Our Conclusion is not modified in respect of these matters of emphasis.

Conclusion

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matter

7. We did not review the consolidated unaudited interim financial results of 1 subsidiary and standalone unaudited interim financial results of 2 subsidiary companies included in the consolidated unaudited financial results, whose unaudited interim financial results reflects, total assets of Rs. 34770.35 crore as at September 30, 2024, Group's share of total revenue of Rs. 1678.04 crore and Rs. 3297.65 crore, Group's share of total net profit of Rs. 348.17 crore and Rs. 709.04 crore and Group's share of total comprehensive income of Rs. 353.59 crore and Rs. 709.93 crore for the quarter ended September 30, 2024, and for the period from April 1, 2024, to September 30, 2024, respectively, and net cash outflows Rs. (173.11) crore as considered in consolidated unaudited interim financial results of the Group. These interim financial results have been reviewed by other auditors, whose review reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the review reports of the other auditors and the procedure performed by us as stated in paragraph 3 above.

   Our Conclusion is not modified in respect of this matter.

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Sharp & Tannan Associates **Chartered Accountants** 87, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021.	G. M. Kapadia & Co. **Chartered Accountants** 1007, Raheja Chambers 213, Nariman Point, Mumbai – 400 021.

8. The numbers and details pertaining to period(s) i.e. quarter ended June 30, 2024 and quarter and half year ended September 30, 2023 have been traced from the review reports of one of the current joint auditors and one of the predecessor Joint auditors wherein an unmodified conclusion was issued vide their review reports dated August 6, 2024 and October 18, 2023 respectively, in terms of the Listing Regulations. Similarly, the numbers and details pertaining to year ended as at March 31, 2024 and notes related thereto in the Statement have been traced from the financial statements of the Company audited by the one of the current joint auditors and one of the predecessor Joint auditors vide their unmodified audit report dated June 15, 2024

   Our Conclusion is not modified in respect of this matter.

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Place: Mumbai
Date: October 23, 2024
UDIN: 24042624BKFRUF1121

For G. M. Kapadia & Co.
Chartered Accountants
ICAI Firm Reg. No. 104767W
By the hand of

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: October 23, 2024
UDIN: 24039569BKAUXG3101

IIFL Finance Limited
CIN: L67100MH1995PLC093797
Regd. office - IIFL house, Sun infotech park, Road no. 16V, Plot no. B-23, Thane industrial estate, Wagle estate, Thane - 400604
Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2024

(₹ in crore)

Sr. no.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
		Unaudited (see note 13)	Unaudited	Unaudited (see note 13)	Unaudited	Unaudited	Audited
1	**Income**						
	Revenue from operations						
(i)	Interest income	2,318.14	2,472.08	2,357.25	4,790.22	4,555.62	9,838.63
(ii)	Dividend income ^	2.17	0.00	0.00	2.17	0.04	0.06
(iii)	Fees and commission income	130.08	100.95	105.31	231.03	191.78	411.07
(iv)	Net gain on fair value changes	121.51	40.37	4.02	161.88	20.50	-
(v)	Net gain on derecognition of financial instruments under FVTOCI category	-	-	11.72	-	-	-
(I)	**Total revenue from operations**	**2,571.90**	**2,613.40**	**2,478.30**	**5,185.30**	**4,767.94**	**10,249.76**
(II)	**Other income**	**4.69**	**11.99**	**57.21**	**16.68**	**126.55**	**240.71**
(III)	**Total Income (I+II)**	**2,576.59**	**2,625.39**	**2,535.51**	**5,201.98**	**4,894.49**	**10,490.47**
2	**Expenses**						
(i)	Finance cost	978.78	1,033.96	932.14	2,012.74	1,819.99	3,882.91
(ii)	Net loss on fair value changes	-	-	-	-	-	180.88
(iii)	Net loss on derecognition of financial instruments under FVTOCI category	11.73	157.64	-	169.37	29.48	136.79
(iv)	Impairment on financial instruments	406.32	251.57	242.60	657.89	432.71	911.29
(v)	Employee benefits expenses	483.76	459.13	415.32	942.89	795.30	1,684.85
(vi)	Depreciation, amortisation and impairment	46.15	46.02	43.26	92.17	85.48	180.82
(vii)	Other expenses	203.02	240.91	218.68	443.93	429.66	941.02
(IV)	**Total expenses**	**2,129.76**	**2,189.23**	**1,852.00**	**4,318.99**	**3,592.62**	**7,918.56**
(V)	**Profit before exceptional items and tax (III-IV)**	**446.83**	**436.16**	**683.51**	**882.99**	**1,301.87**	**2,571.91**
(VI)	**Exceptional items (refer note 10)**	**(586.50)**	-	-	**(586.50)**	-	-
(VII)	**Profit before tax (V+VI)**	**(139.67)**	**436.16**	**683.51**	**296.49**	**1,301.87**	**2,571.91**
3	**Tax expense**						
(i)	Current tax	127.97	163.58	178.82	291.55	324.24	610.57
(ii)	Deferred tax	(174.57)	(65.58)	(20.83)	(240.15)	(20.87)	(10.48)
(iii)	Current tax expense relating to prior period/ year	-	-	-	-	0.12	(2.40)
(VIII)	**Total tax expense**	**(46.60)**	**98.00**	**157.99**	**51.40**	**303.49**	**597.69**
(IX)	**Net profit after tax (VII-VIII)**	**(93.07)**	**338.16**	**525.52**	**245.09**	**998.38**	**1,974.22**
	Attributable to						
	Owners of the Company	(157.67)	288.06	474.26	130.39	899.66	1,763.54
	Non-controlling interest	64.60	50.10	51.26	114.70	98.72	210.68
4	**Other comprehensive income/ (loss)**						
	A (i) Items that will not be reclassified to profit or loss						
	(a) Remeasurement of defined benefit liability/ (asset)	(1.46)	(0.44)	(0.59)	(1.90)	(3.04)	(6.58)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.37	0.11	0.14	0.48	0.76	1.66
	Subtotal (A)	**(1.09)**	**(0.33)**	**(0.45)**	**(1.42)**	**(2.28)**	**(4.92)**
	B (i) Items that will be reclassified to profit or loss						
	(a) Cash flow hedge (net)	(3.30)	1.82	13.47	(1.48)	(0.82)	(14.96)
	(b) Others	(1.82)	(3.01)	3.60	(4.83)	(4.75)	(1.59)
	(ii) Income tax relating to items that will be reclassified to profit or loss	1.29	0.30	(4.30)	1.59	1.40	4.17
	Subtotal (B)	**(3.83)**	**(0.89)**	**12.77**	**(4.72)**	**(4.17)**	**(12.38)**
(X)	**Other comprehensive income/ (loss) (A+B)**	**(4.92)**	**(1.22)**	**12.32**	**(6.14)**	**(6.45)**	**(17.30)**
(XI)	**Total comprehensive income for the period/ year (IX+X)**	**(97.99)**	**336.94**	**537.84**	**238.95**	**991.93**	**1,956.92**
	Attributable to						
	Owners of the Company	(163.76)	287.72	486.83	123.96	894.38	1,747.77
	Non-controlling interest	65.77	49.22	51.01	114.99	97.55	209.15
	Paid up equity share capital (face value of ₹ 2 each)	84.85	84.84	76.23	84.85	76.23	76.31
	Other equity						10,560.68
	Non controlling interest						1,419.45
5	**Total equity**						**12,056.44**
6	**Earnings per share**						
	Basic (₹) *	**(3.72)**	**7.24**	**12.45**	**3.17**	**23.63**	**46.29**
	Diluted (₹) *,#	**(3.72)**	**6.96**	**12.28**	**3.04**	**23.30**	**45.71**

Notes:
^ Amounts less than ₹ 0.01 crore are shown as ₹ 0.00 crore.
* Quarter and half year ended numbers are not annualised.
# Due to anti-dilutive effect, Basic and Diluted EPS are same for the quarter ended September 30, 2024.

Sharp & Tannan Associates
ICAI Regn. No. 109983W
Chartered Accountants

Date : October 23, 2024
Place : Mumbai

SIGNED FOR IDENTIFICATION
BY
G. M. KAPADIA & CO.
MUMBAI

For IIFL Finance Limited

IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non Executive Director
DIN: 00026383

Note 1: Consolidated statement of assets and liabilities:

(₹ in crore)

Sr. no.	Particulars	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
	Assets		
(1)	**Financial assets**		
(a)	Cash and cash equivalents	1,925.36	2,469.87
(b)	Bank balance other than (a) above	1,856.82	1,775.85
(c)	Derivative financial instruments	17.16	157.69
(d)	Receivables		
	(I) Trade receivables	91.70	102.42
	(II) Other receivables	-	29.65
(e)	Loans	44,715.49	50,952.32
(f)	Investments	3,839.19	4,058.98
(g)	Other financial assets	1,204.30	1,412.57
		53,650.02	**60,959.35**
(2)	**Non-financial assets**		
(a)	Current tax assets (net)	202.84	197.70
(b)	Deferred tax assets (net)	398.82	151.79
(c)	Investment property	295.84	295.90
(d)	Property, plant and equipment	154.05	168.47
(e)	Capital work-in-progress	58.34	51.83
(f)	Intangible assets under development	2.08	0.50
(g)	Right to use assets	472.01	436.11
(h)	Other intangible assets	4.18	4.68
(i)	Other non-financial assets	134.23	154.83
		1,722.39	**1,461.81**
	Total assets	**55,372.41**	**62,421.16**
	Liabilities and equity		
(1)	**Financial liabilities**		
(a)	Derivative financial instruments	16.25	33.53
(b)	Payables		
	(I) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	7.89	8.84
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	223.24	198.04
	(II) Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.17	-
(c)	Finance lease obligation	493.15	461.50
(d)	Debt securities	7,895.22	9,137.47
(e)	Borrowings (other than debt securities)	28,692.33	34,123.20
(f)	Subordinated liabilities	2,952.11	3,438.53
(g)	Other financial liabilities	1,013.05	2,649.51
		41,298.41	**50,050.62**
(2)	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	82.22	7.68
(b)	Provisions	119.31	93.42
(c)	Deferred tax liabilites	6.03	1.21
(d)	Other non-financial liabilities	228.41	211.79
		435.97	**314.10**
(3)	**Equity**		
(a)	Equity share capital	84.85	76.31
(b)	Other equity	12,018.74	10,560.68
(c)	Non controlling interest	1,534.44	1,419.45
		13,638.03	**12,056.44**
	Total liabilities and equity	**55,372.41**	**62,421.16**

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W

SIGNED FOR IDENTIFICATION BY G. M. KAPADIA & CO. MUMBAI

For IIFL Finance Limited

IIFL FINANCE LIMITED

Date : October 23, 2024
Place : Mumbai

Arun Kumar Purwar
Chairperson & Non Executive Director
DIN: 00026383

Note 2. Consolidated statement of cash flow:

(₹ in crore)

Particulars	Half year ended September 30, 2024 Unaudited		Half year ended September 30, 2023 Unaudited	
A. Cash flow from operating activities				
Profit before tax		**296.49**		**1,301.87**
Adjustments for:				
Depreciation, amortisation and impairment	92.17		85.48	
Impairment on loans	189.66		53.67	
Impairment on other financial instruments	3.28		6.08	
(Profit)/ loss on sale of assets	0.17		(16.82)	
(Profit)/ loss on termination - Ind AS 116	(0.70)		(1.54)	
Net (profit)/ loss on fair value changes on investment - realised	(183.14)		(23.96)	
Net (profit)/ loss on fair value changes on investment - unrealised	21.26		3.45	
Exceptional items (provision on security receipts - refer note 10)	586.50		-	
Net (profit)/ loss on derecognition of financial instruments under FVTOCI category	169.37		29.49	
Employee benefit expenses - share based	64.63		11.87	
Employee benefit expenses - others	14.47		13.72	
Interest on loans	(4,603.09)		(4,353.49)	
Interest on deposits with banks	(59.87)		(82.15)	
Dividend income	(2.17)		(0.19)	
Dividend received	2.17		0.19	
Finance cost	1,992.76		1,801.56	
Interest expense - Ind AS 116	19.97		18.44	
Income received on loans	4,496.01		4,300.64	
Interest received on deposits with banks	61.99		91.14	
Finance cost paid	(1,975.83)	889.61	(1,875.28)	62.28
Operating profit before working capital changes		**1,186.10**		**1,364.15**
Decrease/ (increase) in financial and non financial assets	280.26		534.96	
Increase/ (decrease) in financial and non financial liabilities	(1,768.74)	(1,488.48)	107.10	642.06
Cash (used in)/ generated from operations		**(302.38)**		**2,006.21**
Taxes paid		(215.97)		(334.04)
Net cash (used in)/ generated from operating activities		**(518.35)**		**1,672.17**
Loans (disbursed)/ repaid (net)		6,154.24		(4,621.51)
Net cash (used in)/ generated from operating activities (A)		**5,635.89**		**(2,949.33)**
B. Cash flow from investing activities				
Purchase of property, plant and equipment and other intangible assets		(46.01)		(65.82)
Sale of property, plant and equipment and other intangible assets		1.63		41.76
Proceeds/(purchase) of Investments		(204.82)		445.78
Proceeds/(deposits) from maturity of deposits placed with banks		(83.08)		325.09
Net cash (used in)/ generated from investing activities (B)		**(332.28)**		**746.80**
C. Cash flow from financing activities				
Proceeds from issue of equity share (including securities premium)		1,277.94		12.66
Proceeds from debt securities		627.47		2,977.09
Repayment of debt securities		(1,879.51)		(2,982.41)
Proceeds from borrowings (other than debt securities)		6,414.15		15,769.39
Repayment of borrowings (other than debt securities)		(11,880.89)		(14,982.96)
Proceeds from subordinated liabilities		135.00		285.00
Repayment of subordinated liabilities		(612.65)		(239.49)
Payment of lease liability		(44.61)		(40.26)
Change in non controlling interest		114.99		97.78
Net cash (used in)/ generated from financing activities (C)		**(5,848.12)**		**896.79**
Net increase in cash and cash equivalents (A + B + C)		**(544.51)**		**(1,305.74)**
Add : Opening cash and cash equivalents as at the beginning of the period		**2,469.87**		**3,632.13**
Cash and cash equivalents as at the end of the period		**1,925.36**		**2,326.39**

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MUMBAI

IIFL FINANCE LIMITED

3. The above unaudited consolidated financial results for the quarter and half year ended September 30, 2024, have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on October 23, 2024. The Joint Statutory Auditors of the Company have carried out the Limited Review of the aforesaid results and have issued an unmodified conclusion and opinion.

4. These unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 "Interim Financial reporting" ("Ind AS 34") as prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India and in accordance with the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

5. During the quarter ended September 30, 2024, the Company allotted 51,246 equity shares (previous quarter: 2,48,266) having face value of ₹ 2/- each on exercise of stock options under the Employee Stock Option Scheme(s).

6. The Group's main business is financing and investing activities. All other activities revolve around the main business. Further all activities are carried out within India. As such there are no separate reportable segments as per the Indian Accounting Standard 108 (IND AS) on Operating Segment.

7. The Secured Non-Convertible Debentures are secured by way of a first pari passu charge on receivables of the group, both present and future, book debts, loans and advances and current assets of the group, except those receivables present and/or future specifically and exclusively charged in favor of certain existing charge holders and specified immovable property such that a security cover of 100% or higher (up to 125%) as per the terms of the offer document is maintained till the time of maturity.

8. Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is attached as **Annexure 1**.

9. The Reserve Bank of India, through its communication dated September 19, 2024, has lifted the restrictions imposed on the gold loan business of the Holding Company. These restrictions were earlier imposed on March 04, 2024, which prohibited the Holding Company from sanctioning, disbursing, or assigning/ securitizing/ selling any of its gold loans. RBI's decision was effective immediately and allowed the Holding Company to resume sanctioning, disbursal, assignment, securitization, and sale of gold loans in compliance with all relevant laws and regulations. The group is committed to upholding the highest standards of compliance and will continue to ensure that the remedial actions taken are sustained. With the removal of embargo, the Holding Company's business operations for Gold Loan have resumed as usual.

10. The Company had certain AIF investments that were due to mature in June 2024. In March 2024, the Company requested the AIF to do in-specie distribution of assets (i.e.: debentures of underlying SPV companies) in lieu of its investment in the AIF. Subsequently, these debentures were assigned to an ARC, and the book value of the resulting Security Receipts (SRs), based on the same underlying assets as of September 30, 2024, was ₹ 586.50 crores. The RBI Circular dated December 19, 2023, on "Investments in Alternative Investment Funds (AIFs)" required a 100% provision of AIF investments if they were not liquidated within 30 days of the circular being applicable. To comply with the spirit of this circular, the management has decided to make a provision equivalent to 100% of the book value of these SRs, accordingly the same has been disclosed under exceptional items for the quarter and half year ended September 30, 2024.

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IIFL FINANCE LIMITED

IIFL FINANCE LIMITED
CIN : L67100MH1995PLC093797
Regd. Office:- IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Estate, Wagle Estate, Thane – 400604

11. 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 on evaluation of the impact and record the same in the financial results in the period in which the code becomes effective and related ruled are published.

12. The EPS (both Basic and Diluted) figures for previous period/ year have been restated to give impact of rights issue as per IND AS 33 "Earnings per share". The restated figures are as follows:

Particulars	Quarter ended* September 30, 2023	Half year ended* September 30, 2023	Year Ended March 31, 2024
Basic EPS	12.12	23.00	45.04
Diluted EPS	11.96	22.69	44.49

*Quarter and half year ended numbers are not annualized.

13. The figures for the quarter ended September 30, 2024, and quarter ended September 30, 2023, are the balancing figures between unaudited figures in respect of the half year ended September 30, 2024, and September 30, 2023, and the unaudited figures of quarter ended June 30, 2024, and unaudited figure of quarter ended June 30, 2023, respectively.

14. Previous period/year figures have been regrouped/ reclassified to make them comparable with those of the current period.

By order of the Board
For **IIFL Finance Limited**

Arun Kumar Purwar
Chairperson & Non-Executive Director
DIN: 00026383

Date: October 23, 2024
Place: Mumbai

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W

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Annexure 1

Disclosure in compliance with Regulations 52(4) of the SEBI (listing obligations and disclosure requirements) Regulations, 2015 as amended, for the quarter and half year ended September 30, 2024

Sr. no	Particulars	Ratios	
		Quarter ended September 30, 2024	Half year ended September 30, 2024
1)	Debt - equity ratio[1]	2.90	
2)	Debt service coverage ratio[2]	Not Applicable	
3)	Interest service coverage ratio[2]	Not Applicable	
4)	Outstanding redeemable preference shares (quantity)	NIL	
5)	Outstanding redeemable preference share (₹ in crore)	NIL	
6)	Capital redemption reserve (₹ in crore)	230.11	
7)	Debenture redemption reserve (₹ in crore)	12.80	
8)	Net worth (₹ in crore)[3]	11,867.93	
9)	Net profit after tax (₹ in crore) (before minority)	(93.07)	245.09
10)	Earning per share: (in ₹) (not annualised)		
	a) Basic	(3.72)	3.17
	b) Diluted[7]	(3.72)	3.04
11)	Current ratio[2]	Not Applicable	
12)	Long term debt to working capital[2]	Not Applicable	
13)	Bad debts to accounts receivable ratio[2]	Not Applicable	
14)	Current liability ratio[2]	Not Applicable	
15)	Total debts to total assets ratio[4]	0.71	
16)	Debtor turnover ratio[2]	Not Applicable	
17)	Inventory turnover ratio[2]	Not Applicable	
18)	Operating margin	33.17%	29.72%
19)	Net profit margin[5]	(3.61%)	4.71%
20)	Sector specific ratio		
	a) GNPA %	2.35%	
	b) NNPA %	1.06%	
	c) Specific provision coverage ratio[6]	55.54%	

Note:

1) Debt-equity ratio = Total borrowings/ Total equity
2) The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.
3) Networth means share capital plus reserves less miscellaneous expenditure to the extent not written off.
4) Total debts to total assets = Total borrowings/ Total assets
5) Net profit margin = Net profit after tax/ Total income
6) Specific provision coverage = Stage 3 ECL provision/ Gross non performing advances (GNPA)
7) Due to anti-dilutive effect, Basic and Diluted EPS are same for the quarter ended September 30, 2024.

Sharp & Tannan Associates, Chartered Accountants, ICAI Regn. No. 109983W

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IIFL FINANCE LIMITED

Sharp & Tannan Associates Chartered Accountants 87, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021.	G. M. Kapadia & Co. Chartered Accountants 1007, Raheja Chambers 213, Nariman Point, Mumbai – 400 021.

Independent Auditors' Review Report on Standalone Unaudited Quarterly and half yearly Financial Results of the Company pursuant to the Regulation 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF
IIFL Finance Limited

Introduction

1. We have reviewed the accompanying statement of standalone unaudited financial results of IIFL Finance Limited ("the Company") for the quarter and half year ended September 30, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these financial results based on our review.

Scope of the Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Emphasis of Matter

4. We refer to the note 9 that describe lifting of Reserve Bank of India's embargo on the Company to cease and desist from continuing with its gold loan business activities which had resulted in uncertainties over the Company's ability to continue its operations as a going concern and the note 10 explaining the rationale for provision of investments in Security Receipts.

   Our Conclusion is not modified in respect of these matters.

Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Sharp & Tannan Associates	G. M. Kapadia & Co.
Chartered Accountants	**Chartered Accountants**
87, Nariman Bhavan,	1007, Raheja Chambers
227, Nariman Point, Mumbai – 400 021.	213, Nariman Point, Mumbai – 400 021.

Other Matter

6. The numbers and details pertaining to comparative periods i.e. quarter ended June 30, 2024 and quarter and half year ended September 30, 2023 have been traced from the review reports of one of the current joint auditors and one of the predecessor Joint auditors wherein an unmodified conclusion was issued vide their review reports dated August 6, 2024 and October 18, 2023 respectively, in terms of the Listing Regulations. Similarly, the numbers and details pertaining to year ended and as at March 31, 2024 and notes related thereto in the Statement have been traced from the financial statements of the Company audited by the one of the current joint auditors and one of the predecessor Joint auditors vide their unmodified audit report dated June 15, 2024.

   Our Conclusion is not modified in respect of this matter.

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Parthiv S. Desai
Partner
Membership No. 042624

Place: Mumbai
Date: October 23, 2024
UDIN: 24042624BKFRUE6115

For G. M. Kapadia & Co.
Chartered Accountants
ICAI Firm Reg. No. 104767W
By the hand of

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Date: October 23, 2024
UDIN: 24039569BKAUXF9954

IIFL Finance Limited
CIN: L67100MH1995PLC093797
Regd. office - IIFL house, Sun infotech park, Road no. 16V, Plot no. B-23, Thane industrial estate, Wagle estate, Thane - 400604

Statement of unaudited standalone financial results for the quarter and half year ended September 30, 2024

(₹ in crore)

Sr. no.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
		Unaudited (see note 10)	Unaudited	Unaudited (see note 10)	Unaudited	Unaudited	Audited
1	**Income**						
	Revenue from operations						
(i)	Interest income	853.62	945.75	1,025.64	1,799.37	2,001.63	4,348.34
(ii)	Dividend income ^	2.17	0.00	0.00	2.17	0.04	132.02
(iii)	Fees and commission income	47.01	41.79	31.40	88.80	58.55	124.40
(iv)	Net gain on fair value changes	96.58	24.27	-	120.85	4.43	-
(I)	**Total revenue from operations**	**999.38**	**1,011.81**	**1,057.04**	**2,011.19**	**2,064.65**	**4,604.76**
(II)	**Other Income**	**4.52**	**3.15**	**18.20**	**7.67**	**28.26**	**44.67**
(III)	**Total Income (I+II)**	**1,003.90**	**1,014.96**	**1,075.24**	**2,018.86**	**2,092.91**	**4,649.43**
2	**Expenses**						
(i)	Finance cost	403.01	429.76	407.53	832.77	795.33	1,717.21
(ii)	Net loss on fair value changes	-	-	4.64	-	-	226.16
(iii)	Net loss on derecognition of financial instruments under FVTOCI category	116.80	174.11	23.67	290.91	48.85	166.77
(iv)	Impairment on financial instruments	154.73	87.38	102.92	242.11	175.90	378.71
(v)	Employee benefits expenses	195.99	175.78	189.20	371.77	358.40	723.29
(vi)	Depreciation, amortisation and impairment	33.11	33.46	32.09	66.57	64.55	134.90
(vii)	Other expenses	104.58	145.59	134.61	250.17	268.53	572.41
(IV)	**Total expenses**	**1,008.22**	**1,046.08**	**894.66**	**2,054.30**	**1,711.56**	**3,919.45**
(V)	**Profit/ (loss) before exceptional items and tax (III-IV)**	**(4.32)**	**(31.12)**	**180.58**	**(35.44)**	**381.35**	**729.98**
(VI)	**Exceptional items (refer note 10)**	(586.50)	-	-	(586.50)	-	-
(VII)	**Profit/ (loss) before tax (V-VI)**	**(590.82)**	**(31.12)**	**180.58**	**(621.94)**	**381.35**	**729.98**
3	**Tax expense**						
(i)	Current tax	32.31	54.52	62.75	86.83	117.59	188.91
(ii)	Deferred tax	(181.83)	(62.98)	(18.87)	(244.81)	(24.36)	(41.45)
(iii)	Current tax expense relating to prior period/ year	-	-	-	-	-	(2.26)
(VIII)	**Total tax expense**	**(149.52)**	**(8.46)**	**43.88**	**(157.98)**	**93.23**	**145.20**
(IX)	**Net profit after tax (VII-VIII)**	**(441.30)**	**(22.66)**	**136.70**	**(463.96)**	**288.12**	**584.78**
4	**Other comprehensive income/ (loss)**						
	A (i) Items that will not be reclassified to profit or loss						
	(a) Remeasurement of defined benefit liability/ (asset)	(0.54)	0.16	(0.30)	(0.38)	(1.22)	(3.25)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.13	(0.04)	0.08	0.09	0.31	0.82
	Subtotal (A)	**(0.41)**	**0.12**	**(0.22)**	**(0.29)**	**(0.91)**	**(2.43)**
	B (i) Items that will be reclassified to profit or loss						
	(a) Cash flow hedge (net)	(13.29)	4.28	18.49	(9.01)	1.59	(7.36)
	(ii) Income tax relating to items that will be reclassified to profit or loss	3.35	(1.08)	(4.65)	2.27	(0.40)	1.85
	Subtotal (B)	**(9.94)**	**3.20**	**13.84**	**(6.74)**	**1.19**	**(5.51)**
(X)	**Other comprehensive income/ (loss) (A+B)**	**(10.35)**	**3.32**	**13.62**	**(7.03)**	**0.28**	**(7.94)**
(XI)	**Total comprehensive income/ (loss) for the period/ year (IX+X)**	**(451.65)**	**(19.34)**	**150.32**	**(470.99)**	**288.40**	**576.84**
	Paid up equity share capital (face value of ₹ 2 each)	84.85	84.84	76.23	84.85	76.23	76.31
	Other equity						5,519.60
5	**Total equity**						**5,595.91**
	Earnings per share						
	Basic (₹) *	**(10.40)**	**(0.57)**	**3.59**	**(11.28)**	**7.57**	**15.35**
	Diluted (₹) *,#	**(10.40)**	**(0.57)**	**3.54**	**(11.28)**	**7.46**	**15.16**

Notes:
^ Amounts less than ₹ 0.01 crore are shown as ₹ 0.00 crore.
* Quarter and half year ended numbers are not annualised.
# Due to anti-dilutive effect, Basic and Diluted EPS are same for the quarter ended June 30, 2024 and September 30, 2024, and half year ended September 30, 2024.

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W

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G. M. KAPADIA & CO.
MUMBAI

For IIFL Finance Limited

IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non Executive Director
DIN: 00026383

Date : October 23, 2024
Place : Mumbai

Note 1. Standalone statement of assets and liabilities:

(₹ in crore)

Sr. no.	Particulars	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
	Assets		
(1)	**Financial assets**		
(a)	Cash and cash equivalents	492.52	863.92
(b)	Bank balance other than (a) above	866.09	966.58
(c)	Derivative financial instruments	12.79	157.69
(d)	Receivables		
	(I) Trade receivables	56.71	42.27
	(II) Other receivables	-	29.65
(e)	Loans	14,243.68	18,426.84
(f)	Investments	5,215.40	5,156.58
(g)	Other financial assets	399.50	734.12
		21,286.69	**26,377.65**
(2)	**Non-financial assets**		
(a)	Current tax assets (net)	155.91	154.05
(b)	Deferred tax assets (net)	323.10	75.92
(c)	Investment property	293.70	293.70
(d)	Property, plant and equipment	119.41	132.35
(e)	Capital work-in-progress	58.34	51.83
(f)	Intangible assets under development	1.90	0.17
(g)	Right to use assets	382.15	363.98
(h)	Other Intangible assets	3.43	4.12
(i)	Other non-financial assets	105.79	134.36
		1,443.73	**1,210.48**
	Total assets	**22,730.42**	**27,588.13**
	Liabilities and equity		
(1)	**Financial liabilities**		
(a)	Derivative financial instruments	16.25	30.92
(b)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	1.93	5.72
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	161.25	134.61
	(II) Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.17	-
(c)	Finance lease obligation	397.14	382.13
(d)	Debt securities	3,134.20	4,340.46
(e)	Borrowings (other than debt securities)	10,437.71	13,966.67
(f)	Subordinated liabilities	1,623.82	1,703.77
(g)	Other financial liabilities	323.36	1,296.20
		16,100.83	**21,860.48**
(2)	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	61.52	2.83
(b)	Provisions	59.46	38.82
(c)	Other non-financial liabilities	80.66	90.09
		201.64	**131.74**
(3)	**Equity**		
(a)	Equity share capital	84.85	76.31
(b)	Other equity	6,343.10	5,519.60
		6,427.95	**5,595.91**
	Total liabilities and equity	**22,730.42**	**27,588.13**

Sharp & Tannan Associates Chartered Accountants ICAI Regn. No. 109983W

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G. M. KAPADIA & CO.
MUMBAI

Date : October 23, 2024
Place : Mumbai

For IIFL Finance Limited

Arun Kumar Purwar
Chairperson & Non Executive Director
DIN: 00026383

IIFL FINANCE LIMITED

Note 2. Standalone statement of cash flow:

(₹ in crore)

Particulars	Half year ended September 30, 2024		Half year ended September 30, 2023	
	Unaudited		Unaudited	
A. Cash flow from operating activities				
Profit before tax		**(621.94)**		**381.35**
Adjustments for:				
Depreciation, amortisation and impairment	66.57		64.55	
Impairment on loans	52.08		43.65	
Impairment on other financial instruments	3.28		6.08	
(Profit)/ loss on sale of assets	0.16		(16.80)	
(Profit)/ loss on termination - Ind AS 116	(0.70)		(1.54)	
Net (profit)/ loss on fair value changes on investment - realised	(143.49)		(11.87)	
Net (profit)/ loss on fair value changes on investment - unrealised	22.64		7.45	
Exceptional items (provision on security receipts - refer note 10)	586.50		-	
Net (profit)/ loss on derecognition of financial instruments under FVTOCI category	290.91		48.85	
Employee benefit expenses - share based payments	25.07		11.87	
Employee benefit expenses - others	4.11		4.95	
Interest on loans	(1,747.58)		(1,947.51)	
Interest on deposits with banks	(30.77)		(43.60)	
Interest on investments	(21.02)		(10.53)	
Dividend income	(2.17)		(0.04)	
Dividend received	2.17		0.04	
Finance cost	815.38		773.23	
Interest expense - Ind AS 116	15.92		14.90	
Income received on loans	1,501.94		1,791.75	
Interest received on deposits with banks	42.29		59.58	
Income received on investments	18.91		11.56	
Finance cost paid	(812.90)	689.30	(762.27)	44.30
Operating profit before working capital changes		**67.36**		**425.65**
Decrease/ (increase) in financial and non financial assets	101.71		(41.70)	
Increase/ (decrease) in financial and non financial liabilities	(816.36)	(714.65)	146.15	104.45
Cash (used in)/ generated from operations		**(647.29)**		**530.10**
Taxes paid		(29.99)		(13.57)
Net cash (used in)/ generated from operating activities		**(677.28)**		**516.53**
Loans (disbursed)/ repaid (net)		4,376.18		(2,001.55)
Net cash (used in)/ generated from operating activities (A)		**3,698.90**		**(1,485.02)**
B. Cash flow from investing activities				
Purchase of property, plant and equipment and other intangible assets		(23.56)		(32.03)
Sale of property, plant and equipment and other intangible assets		0.77		41.13
Proceeds/(purchase) of investments		(524.47)		131.55
Proceeds/ (deposits) from maturity of deposits placed with banks		73.58		294.69
Net cash (used in)/ generated from investing activities (B)		**(473.68)**		**435.34**
C. Cash flow from financing activities				
Proceeds from issue of equity share (including securities premium)		1,277.07		12.29
Proceeds from share application money pending allotment		0.87		0.37
Proceeds from debt securities		-		1,537.09
Repayment of debt securities		(1,218.19)		(2,472.16)
Proceeds from borrowings (other than debt securities)		3,642.65		9,956.22
Repayment of borrowings (other than debt securities)		(7,192.10)		(9,432.00)
Proceeds from subordinated liabilities		-		35.00
Repayment of subordinated liabilities		(50.00)		(11.70)
Payment of lease liability		(56.92)		(55.93)
Net cash (used in)/ generated from financing activities (C)		**(3,596.62)**		**(430.82)**
Net increase in cash and cash equivalents (A + B + C)		**(371.40)**		**(1,480.50)**
Add : Opening cash and cash equivalents as at the beginning of the period		863.92		1,763.87
Cash and cash equivalents as at the end of the period		**492.52**		**283.37**

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IIFL FINANCE LIMITED

3. The above unaudited standalone financial results for the quarter and half year ended September 30, 2024, have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on October 23, 2024. The Joint Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results and have issued an unmodified conclusion and opinion.

4. These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 "Interim Financial reporting" ("Ind AS 34") as prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued there under and other accounting principles generally accepted in India and in accordance with the requirements of Regulation 33 and 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

5. During the quarter ended September 30, 2024, the Company allotted 51,246 equity shares (previous quarter: 2,48,266) having face value of ₹ 2/- each on exercise of stock options under the Employee Stock Option Scheme(s).

6. The Company's main business is financing and investing activities. All other activities revolve around the main business. Further all activities are carried out within India. As such there are no separate reportable segments as per Indian Accounting Standard 108 (IND AS) on Operating Segments.

7. 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 results in the period in which the code becomes effective and related ruled are published.

8. The Reserve Bank of India, under Scale Based Regulations has categorized the Company as Middle Layer (NBFC-ML), vide its circular. The management has taken necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/ changes suggested as and when they become applicable.

9. The Reserve Bank of India, through its communication dated September 19, 2024, has lifted the restrictions imposed on the gold loan business of the Company. These restrictions were earlier imposed on March 04, 2024, which prohibited the Company from sanctioning, disbursing, or assigning/ securitizing/ selling any of its gold loans. RBI's decision was effective immediately and allowed the Company to resume sanctioning, disbursal, assignment, securitization, and sale of gold loans in compliance with all relevant laws and regulations. The Company is committed to upholding the highest standards of compliance and will continue to ensure that the remedial actions taken are sustained. With the removal of embargo, the Company's business operations for Gold Loan have resumed as usual.

10. The Company had certain AIF investments that were due to mature in June 2024. In March 2024, the Company requested the AIF to do in-specie distribution of assets (i.e.: debentures of underlying SPV companies) in lieu of its investment in the AIF. Subsequently, these debentures were assigned to an ARC, and the book value of the resulting Security Receipts (SRs), based on the same underlying assets as of September 30, 2024, was ₹ 586.50 crores. The RBI Circular dated December 19, 2023, on "Investments in Alternative Investment Funds (AIFs)" required a 100% provision of AIF investments if they were not liquidated within 30 days of the circular being applicable. To comply with the spirit of this circular, the management has decided

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to make a provision equivalent to 100% of the book value of these SRs, accordingly the same has been disclosed under exceptional items for the quarter and half year ended September 30, 2024.

11. The Secured Non-Convertible Debentures are secured by way of a first pari passu charge on receivables of the Company, both present and future, book debts, loans and advances and current assets of the Company, except those receivables present and/or future specifically and exclusively charged in favor of certain existing charge holders and specified immovable property such that a security cover of 100% or higher (up to 125%) as per the terms of the offer document is maintained till the time of maturity.

12. The Company had invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers as per notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 and policy approved by the Board of Directors of the Company.
Disclosure for the half year ended September 30, 2024:

(₹ in crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	0.01	0.00	0.00	0.01	0.00
Corporate Loans *	4.06	0.53	0.04	2.15	1.34
of which, MSME's	4.05	0.53	0.04	2.13	1.34
Others	0.00	0.00	0.00	0.00	0.00

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

13. Disclosure as per the notification no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 under Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 relating to the total amount of loans not in default / stressed loans transferred and acquired to / from other entities.

a. The company has not acquired any loans, not in default during the quarter ended September 30, 2024.

b. The company has not acquired any stressed loan during the quarter ended September 30, 2024.

c. The Company has not transferred any stressed loan during the quarter ended September 30, 2024.

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d. Details of transferred through assignment in respect of loans not in default during the quarter ended September 30, 2024:

Count of Loan accounts assigned	841
Amount of loan accounts assigned (₹ In Crore)	88.72
Weighted average maturity (in months)	31.37
Weighted average holding period (in months)	6.59
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated
Break-up of loans transferred / acquired through assignment / novation and loan participation	All direct assignment deals
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil

e. Details on recovery ratings assigned for Security Receipts (SR) as on September 30, 2024:

Recovery Rating^	Anticipated Recovery as per recovery rating	Outstanding Face Value (₹ in crore)
RR4	25%-50%	512.84
RR3	50%-75%	339.32
RR2	75%-100%	177.86
RR2	75%-100%	46.57
RR1	100%-150%	11.73
RR1	100%-150%	73.43
RR1	100%-150%	21.56
RR1	100%-150%	1300.00
RR1	100%-150%	696.00
RR1	100%-150%	7.00
Unrated*		500.00
Unrated*		53.00
Total		**3739.31**

^Recovery rating is assigned by external rating agency.

*Pursuant to regulatory norms, the ARC shall obtain an initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

14. Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is attached as **Annexure 1**.

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IIFL FINANCE LIMITED

IIFL FINANCE LIMITED
CIN : L67100MH1995PLC093797
Regd. Office:- IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Estate, Wagle Estate, Thane – 400604

15. The EPS (both Basic and Diluted) figures for previous period/ year have been restated to give impact of right issue as per IND AS 33 "Earnings per share". The restated figures are as follows:

Particulars	Quarter ended*	Half year ended*	Year ended
	September 30, 2023	September 30, 2023	March 31, 2024
Basic EPS	3.49	7.37	14.94
Diluted EPS	3.45	7.27	14.75

*Quarter and half year ended numbers are not annualized

16. The figures for the quarter ended September 30, 2024, and quarter ended September 30, 2023, are the balancing figures between unaudited figures in respect of the half year ended September 30, 2024, and September 30, 2023, and the unaudited figures of quarter ended June 30, 2024, and unaudited figures of quarter ended June 30, 2023, respectively.

17. Previous period/ year figures have been regrouped/ reclassified to make them comparable with those of the current period.

By order of the Board
For **IIFL Finance Limited**

Arun Kumar Purwar
Chairperson & Non-Executive Director
DIN: 00026383

Date: October 23, 2024
Place: Mumbai

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Annexure 1

Disclosure in compliance with Regulations 52(4) of the SEBI (listing obligations and disclosure requirements) Regulations, 2015 as amended, for the quarter and half year ended September 30, 2024

Sr. no	Particulars	Ratios	
		Quarter ended September 30, 2024	Half year ended September 30, 2024
1)	Debt - equity ratio[1]	2.36	
2)	Debt service coverage ratio[2]	Not applicable	
3)	Interest service coverage ratio[2]	Not applicable	
4)	Outstanding redeemable preference shares (quantity)	NIL	
5)	Outstanding redeemable preference shares (₹ in crore)	NIL	
6)	Capital redemption reserve (₹ in crore)	230.11	
7)	Debenture redemption reserve (₹ in crore)	12.80	
8)	Net worth (₹ in crore)[3]	6,328.23	
9)	Net profit after tax (₹ in crore)	(441.30)	(463.96)
10)	Earning per share: (in ₹) (not annualised)		
	a) Basic	(10.40)	(11.28)
	b) Diluted[7]	(10.40)	(11.28)
11)	Current ratio[2]	Not Applicable	
12)	Long term debt to working capital[2]	Not Applicable	
13)	Bad debts to accounts receivable ratio[2]	Not Applicable	
14)	Current liability ratio[2]	Not Applicable	
15)	Total debts to total assets ratio[4]	0.67	
16)	Debtor turnover ratio[2]	Not Applicable	
17)	Inventory turnover ratio[2]	Not Applicable	
18)	Operating margin	15.05%	10.28%
19)	Net profit margin[5]	(43.96%)	(22.98%)
20)	Sector specific ratio		
	a) GNPA %	2.93%	
	b) NNPA %	1.32%	
	c) Specific provision coverage ratio[6]	55.78%	
21)	Capital to risk-weighted assets ratio (CRAR)	26.26%	
	Tier I CRAR	20.07%	
	Tier II CRAR	6.18%	
22)	Liquidity coverage ratio for the quarter ended	216.12%	

Note:

1) Debt-equity ratio = Total borrowings/ Total equity
2) The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are not applicable.
3) Networth means share capital plus reserves less miscellaneous expenditure to the extent not written off.
4) Total debts to total assets = Total borrowings/ Total assets
5) Net profit margin = Net profit after tax/ Total income
6) Specific provision coverage = Stage 3 ECL provision/ Gross non performing advances (GNPA)
7) Due to anti-dilutive effect, Basic and Diluted EPS are same for the quarter and half year ended September 30, 2024.

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IIFL FINANCE LIMITED

IIFL Finance Limited

Consolidated Financial Statements

as on 31st March, 2024

(₹ in Crores)

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near east west flyover, Opp Telly Gali Junction, Andheri (East) Mumbai – 400 069.

Sharp & Tannan Associates
Chartered Accountants
87, Nariman Bhavan,
227, Nariman Point, Mumbai – 400 021.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
IIFL Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IIFL Finance Limited (hereinafter referred to as the 'Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and the consolidated Cash Flows statement 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 subsidiaries, 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 Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ("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 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 on the consolidated financial statements.

Emphasis of Matter

This section of our report contains and we reproduce hereunder sections of our audit report of even date issued on the standalone financial statements of the Holding Company described under Material Uncertainty Relating to Going Concern and Emphasis of Matter sections, respectively.

1. We draw attention to Note No 48 in the financial statements, which explains that the Reserve Bank of India ("RBI") vide its directive dated March 4, 2024 and in exercise of its powers under Section 45I(1)(b) of the Reserve Bank of India, 1934 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning / securitizing/ selling any of its gold loans. However, the RBI permitted the company to continue to service its existing gold loan portfolio through usual collection and recovery processes.

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The Company has total Loan book of Rs. 17,842 crores and Rs. 14,047 crores as on March 31, 2024, and March 31, 2023 respectively. Out of the above, the Gold Loan stood at Rs. 9,634 crores (54.00%) and Rs. 8,330 crores (59.30%) for each respective financial year.

These events or conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the factors as described in the note no 49 in the financial statements, the management is of the view that the going concern basis of accounting is appropriate.

2. We refer to Note No 49 of the accompanying financial statements that explains the directives issued by The Reserve Bank of India ("RBI") dated March 4, 2024. The Note explains the supervisory concerns noted by the RBI in respect of restrictions on loan against gold. These supervisory restrictions are under review by RBI post completion of special audit instituted by the RBI.

Our opinion is not modified in respect of these matters of emphasis.

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.

A. Key audit matters of the Holding Company

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**Impairment of Financial Assets held at amortised cost:** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our understanding of the business.

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Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	impairment provisions, this is considered to be a key audit matter. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. **(Refer Note 38A.3 to the Standalone Financial Statements.)**.	We assessed the design and implementation of key Internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

B. Key audit matters of consolidated financial statements of Subsidiary Company – IIFL Home Finance Limited

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**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'.	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

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Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	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 loss) is a key audit matter.	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.
2	No Key audit matters for subsidiary company IIHFL Sales Limited reported by the auditor for the year ended March 31, 2024.	

C. Key audit matters of Subsidiary Company – IIFL Samasta Finance Ltd

Sr. No.	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. As at 31 March 2024, the Company has total gross loan assets of Rs. 9,708.70 crores (2023: Rs. 7,998.53 crores) against which an Expected Credit Loss ('ECL') of Rs. 286.44 crores (2023 Rs. 257.22 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 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	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

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Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	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 and. 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 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 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.	over monitoring of the model and approval of key assumptions. • Evaluated the appropriateness of the Company's 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. • 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; • Tested the design and operating effectiveness of key controls (including application controls) over approval, recording, monitoring. • Testing of Application controls includes testing of automated controls, reports, and system reconciliations. • 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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
		the estimate determined by the management.
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 using other software. Further, marking of some legacy linked accounts at borrower level as NPAs in two different Loan management systems 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 Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Directors report and Management Discussion and Analysis report 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report and Management Discussion and Analysis report, 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 ("The Auditors 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 is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in

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accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 the assets of the Group 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 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 the respective company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the respective company 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 are responsible for overseeing the financial reporting process of the respective company.

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, 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 financial controls 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 and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system 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

CHHAJED & DOSHI MUMBAI 400 089. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates MUMBAI Regn No. 109983W Chartered Accountants 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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 current period 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 Matters

The consolidated financial statement includes consolidated audited financial statement of 1 subsidiary and standalone audited financial statements of 2 subsidiary companies, these have been audited by the other auditors and these statements reflect the total assets of Rs. 36,969.88 Crore as at March 31, 2024, Group's share of total revenue of Rs. 5,897.27 Crore, Group's share of total net profit of Rs. 1,521.39 Crore and Group's share of total comprehensive income of Rs. 1,512.03 Crore and net cash outflows Rs. 262.31 Crore for the year ended on the date as considered in the consolidated financial statements. The reports of auditors of the said subsidiary companies 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 these subsidiary companies and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

CHHAJED & DOSHI MUMBAI 400 089. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

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 with respect to our reliance on the work done and the reports of the other auditors.

The Consolidated Financial Statements includes the comparative financial information for the year ended March 31, 2023 were audited by one of the joint auditor and one of the predecessor auditor and has issued unmodified opinion vide their report dated April 26, 2023.

Our opinion is not modified in respect of these other matters.

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 report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, to the extent applicable, that:

   a) We/the other 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 consolidated financial statements have been kept so far as it appears from our examination of those books and reports of 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 Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 the 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 companies, none of the directors of the Group 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 internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure**.

   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 managerial remuneration paid by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid by the subsidiaries to their directors is 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 Auditor's) 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

CHHAJED & DOSHI MUMBAI 400 089. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated financials statements– Refer Note 39 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 - Refer Note 39 to the consolidated financial statements.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiaries 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 subsidiaries respectively that, to the best of its knowledge and belief, 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 subsidiaries 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 Holding Company or any of such subsidiaries (´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 subsidiaries 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 subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' 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 its subsidiaries is in compliance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the holding company and based on the consideration of the reports of the other auditors on the consolidated financial statements and / or separate financial statements, as the case may be, of subsidiary companies, the Group has used accounting software for maintaining its books of accounts which has a feature of recording

CHHAJED & DOSHI * MUMBAI 400 069 * CHARTERED ACCOUNTANTS

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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 and as reported by other auditors of subsidiary companies, did not come across any instance of audit trail feature being tempered with.

As proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the statutory auditors of the respective subsidiary companies which are companies incorporated in India, included in the consolidated financial statement 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 for those as stated below:

Sr.	Name	CIN	Relation	Clause (*)
1	IIFL Finance Limited	L67100MH1995PLC093797	Holding Company	3(iii)(c) & (d) 3(vii)(b)
2	IIFL Home Finance Limited	U65993MH2006PLC166475	Subsidiary	3(iii)(c)
3	IIHFL Sales Limited	U74999MH2021PLC368361	Stepdown-Subsidiary	3(vii)(a)
4	IIFL Samasta Finance Limited	U65191KA1995PLC057884	Subsidiary	3(iii)(c) & (d) 3(vii)(b)

(*) Clause number of the CARO report which is qualified or is adverse.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi
Chartered Accountants
ICAI Firm Reg. No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357
Place: Mumbai
Date: June 15, 2024
UDIN: 24049357BKCISB8003

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624
Place: Mumbai
Date: June 15, 2024
UDIN:24042624BKFRTD7654

Annexure referred to paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of IIFL Finance Limited on the consolidated financial statement for the year ended March 31, 2024.

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 over financial reporting of IIFL Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (hereinafter collectively referred to as "the Group") as of March 31, 2024, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies 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 ("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, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are incorporated in India, 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 over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India.

CHHAJED & DOSHI * MUMBAI 400 069. * CHARTERED ACCOUNTANTS

Sharp & Tannan Associates * Regn No. 109983W * Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other matters paragraph below read together with the Emphasis of Matter Para in our report to the consolidated financial statements of the Group for the financial year ended March 31, 2024, the Holding Company and subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies incorporated in India, is based solely on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi
Chartered Accountants
ICAI Firm Reg. No. 101794W
By the hand of

CHHAJED & DOSHI
MUMBAI 400 089.
CHARTERED ACCOUNTANTS

M. P. Chhajed
Partner
Membership No. 049357
Place: Mumbai
Date: June 15, 2024
UDIN: 24049357BKCISB8003

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Sharp & Tannan Associates
Regn. No. 109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership No. 042624
Place: Mumbai
Date: June 15, 2024
UDIN: 24042624BKFRTD7654

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(₹ in crores)

Sr. No	Particulars	Note	As at March 31, 2024	As at March 31, 2023
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	4	2,469.87	3,632.13
(b)	Bank balance other than (a) above	5	1,775.85	2,208.36
(c)	Derivative financial instruments	6	157.69	223.58
(d)	Receivables			
	(i) Trade receivables	7	102.42	121.43
	(ii) Other receivables	7	29.65	15.47
(e)	Loans	8	50,952.32	40,143.07
(f)	Investments	9	4,058.98	3,511.00
(g)	Other financial assets	10	1,412.57	1,615.56
			60,959.35	51,470.60
[2]	**Non-financial assets**			
(a)	Current tax assets (net)		197.70	239.59
(b)	Deferred tax assets (net)	11	151.79	122.67
(c)	Investment property	12	295.90	296.04
(d)	Property, plant and equipment	13	168.47	176.13
(e)	Capital work-in-progress	13.1	51.83	27.02
(f)	Right to use assets	14	436.11	386.60
(g)	Intangible assets under development	13.2	0.50	0.49
(h)	Other intangible assets	15	4.68	3.38
(i)	Other non-financial assets	16	154.83	272.42
(j)	Non current assets held for sale	17	-	7.85
			1,461.81	1,532.19
	Total assets		62,421.16	53,002.79
	Liabilities and equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6	33.53	42.37
(b)	Payables			
	(I)Trade payables	18		
	(i) total outstanding dues of micro enterprises and small enterprises		8.84	3.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		207.84	194.28
(c)	Finance lease obligation	14	461.50	413.43
(d)	Debt securities	19	9,030.34	7,925.30
(e)	Borrowings (other than debt securities)	20	34,123.20	28,476.27
(f)	Subordinated liabilities	21	3,545.66	3,202.42
(g)	Other financial liabilities	22	2,619.86	2,026.51
			50,030.77	42,283.60
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		7.68	45.82
(b)	Provisions	23	83.61	84.77
(c)	Deferred tax liabilities (net)	11	1.21	0.61
(d)	Other non-financial liabilities	24	241.45	385.85
			333.95	517.05
	Total liabilities		50,364.72	42,800.65
[3]	**Equity**			
(a)	Equity share capital	25	76.31	76.09
(b)	Other equity	25.1	10,560.68	8,915.97
(c)	Non-controlling interest	25.1	1,419.45	1,210.08
			12,056.44	10,202.14
	Total liabilities and equity		62,421.16	53,002.79
See accompanying notes forming part of the financial statements		1 - 51		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance officer

Place : Mumbai
Dated: June 15, 2024

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crores)

Sr. No	Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue from operations			
(i)	Interest income	26.1	9,838.63	7,365.96
(ii)	Dividend income*	26.2	0.06	0.00
(iii)	Fees and commission income	27	410.74	228.95
(iv)	Net gain on fair value changes	28	-	160.97
(v)	Net gain on derecognition of financial instruments under FVTOCI category	31	-	513.81
(I)	**Total revenue from operations**		**10,249.43**	**8,269.69**
(II)	Other income	29	241.04	177.61
(III)	**Total income (I+II)**		**10,490.47**	**8,447.30**
	Expenses			
(i)	Finance costs	30	3,882.91	3,222.02
(ii)	Net loss on fair value changes	28	180.88	-
(iii)	Net loss on derecognition of financial instruments under FVTOCI category	31	136.79	-
(iv)	Impairment on financial instruments	32	911.29	866.13
(v)	Employee benefits expenses	33	1,684.85	1,329.50
(vi)	Depreciation, amortisation and impairment	34	180.82	152.59
(vii)	Others expenses	35	941.02	764.54
(IV)	**Total expenses**		**7,918.56**	**6,334.78**
(V)	**Profit before exceptional items and tax (III-IV)**		**2,571.91**	**2,112.52**
(VI)	Exceptional items		-	-
(VII)	**Profit before tax (V+VI)**		**2,571.91**	**2,112.52**
	Tax expense:			
	(1) Current tax	36	610.57	362.70
	(2) Deferred tax	11 & 36	(10.48)	144.68
	(3) Current tax relating to previous years	36	(2.40)	(2.41)
(VIII)	**Total tax expense**		**597.69**	**504.97**
(IX)	**Profit for the year (VII-VIII)**		**1,974.22**	**1,607.55**
	Attributable to:			
	Owners of the Company		1,763.54	1,500.30
	Non-controlling interest		210.68	107.25
	Other comprehensive income			
	(A) (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit (liabilities)/assets	36	(6.58)	(2.69)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 36	1.66	0.68
	Subtotal (A)		**(4.92)**	**(2.01)**
	(B) (i) Items that will be reclassified to profit or loss			
	(a) Cash flow hedge (net)	36	(14.96)	46.45
	(b) Fair value of loans carried at FVTOCI	36	(1.59)	(0.75)
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 36	4.17	(11.50)
	Subtotal (B)		**(12.38)**	**34.20**
(X)	**Other comprehensive income (A+B)**		**(17.30)**	**32.19**
(XI)	**Total comprehensive income for the year (IX + X)**		**1,956.92**	**1,639.74**
	Attributable to:			
	Owners of the Company		1,747.77	1,534.01
	Non-controlling interest		209.15	105.73
(XII)	**Earnings per equity share of face value ₹ 2 each**	37		
	Basic (₹)		46.29	39.49
	Diluted (₹)		45.71	39.18
	See accompanying notes forming part of the financial statements	1 - 51		

*0.00 denotes amount less than ₹ fifty thousand

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

MUMBAI 400 069. CHHAJED & DOSHI CHARTERED ACCOUNTANTS

M. P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

IIFL FINANCE LIMITED

Mauli Agarwal

Mauli Agarwal
Company Secretary &
Compliance officer

Place : Mumbai
Dated: June 15, 2024

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crores)

Particulars	Note	Year ended March 31, 2024		Year ended March 31, 2023	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**2,571.91**		**2,112.52**
Adjustments for:					
Depreciation, amortisation and impairment	34	180.82		152.59	
Impairment on loans		(7.13)		(79.54)	
Impairment on other financial instruments		7.30		10.69	
Profit on sale of assets		(15.76)		(3.09)	
Gain on termination - Ind AS 116		(2.36)		(2.13)	
Net gain on fair value changes on investment - realised		(73.38)		(82.68)	
Net (gain)/ loss on fair value changes on investment - unrealised		254.26		(78.30)	
Net (gain)/ loss on derecognition of financial instruments under FVTOCI category		136.79		(513.81)	
Employee benefit expenses - share based		59.62		(1.90)	
Employee benefit expenses - others		29.41		22.30	
Interest on loans		(9,431.92)		(6,978.79)	
Interest on deposits with banks	26.1	(155.35)		(167.32)	
Dividend income*	26.2	(0.06)		(0.00)	
Dividend received*		0.06		0.00	
Finance cost		3,843.80		3,226.30	
Interest expenses - Ind AS 116	30	39.35		34.62	
Gain on buy back of debentures (net)		(0.24)		(4.47)	
Income received on loans		9,453.24		7,083.51	
Interest received on deposits with banks		162.61		143.04	
Income received on investments		1.94		(7.20)	
Finance cost paid		(2,995.78)	1,487.22	(2,540.87)	212.95
Operating profit before working capital changes			**4,059.13**		**2,325.47**
Decrease/ (increase) in financial and non financial assets			233.87		(124.84)
Increase/ (decrease) in financial and non financial liabilities			571.36		(684.81)
Cash generated from operations			**4,864.36**		**1,515.82**
Taxes paid			(683.88)		(276.71)
Net cash generated from operating activities			**4,180.48**		**1,239.11**
Loans disbursed (net)			(10,028.48)		(6,464.55)
Net cash used in operating activities (A)			**(5,848.00)**		**(5,225.44)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(267.90)		(261.10)
Sale of property, plant and equipment and non curent assets held for sale			42.73		2.82
Purchase of investments			(1,591.29)		(2,151.41)
Proceeds/(deposits) from maturity of deposits placed with banks			460.09		(306.30)
Net cash used in investing activities (B)			**(1,356.37)**		**(2,715.99)**
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital			19.93		2,285.95
Dividend paid			(182.24)		(173.63)
Proceeds from debt securities			7,236.34		1,673.73
Repayment of debt securities			(6,497.49)		(1,877.83)
Proceeds from borrowings (other than debt securities)			35,348.27		19,043.97
Repayment of borrowings (other than debt securities)			(29,901.99)		(15,972.53)
Proceeds from subordinated liabilities			432.00		376.64
Repayment of subordinated liabilities			(424.02)		-
Payment of lease liability			11.09		21.22
Change in minority interest			0.22		(16.18)
Net cash generated from financing activities (C)			**6,042.11**		**5,361.33**
Net increase in cash and cash equivalents (A + B + C)			**(1,162.26)**		**(2,580.10)**
Add : Opening cash and cash equivalents as at the beginning of the year			3,632.13		6,212.22
Cash and cash equivalents as at the end of the year	4		**2,469.87**		**3,632.13**
See accompanying notes forming part of the financial statements	1 - 51				

*0.00 denotes amount less than ₹ fifty thousand

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance officer

Place : Mumbai
Dated: June 15, 2024

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital (refer note 25) (₹ in crores)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2024	76.09	0.22	76.31
As at March 31, 2023	75.92	0.17	76.09

B. Other Equity (refer note 25.1) (₹ in crores)

Particulars	Share Application Money (Note 1)	Reserves & Surplus: Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 (Note 6)	Capital Redemption Reserve (Note 7)	Debenture Redemption Reserve (Note 8)	Retained Earnings (Note 9)	Share Options Outstanding Account (Note 10)	Other Comprehensive Income: Effective portion of Cash Flow Hedges (Note 11)	Fair value of loans carried at FVTOCI	Remeasurements of defined benefit (Note 12)	Total	Non Controlling Interest
Balance as at April 01, 2022	-	**83.89**	**1,845.85**	**653.22**	**845.60**	**402.97**	**230.11**	**12.80**	**2,332.71**	**14.19**	**(39.39)**	**9.65**	**(3.69)**	**6,387.81**	**5.90**
Changes in accounting policy/prior period errors	-	1.60	-	-	-	-	-	-	(1.60)	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	**85.49**	**1,845.85**	**653.22**	**845.60**	**402.97**	**230.11**	**12.80**	**2,331.11**	**14.19**	**(39.39)**	**9.65**	**(3.69)**	**6,387.81**	**5.90**
Profit for the year	-	-	-	-	-	-	-	-	1,500.30	-	-	-	-	1,500.30	107.25
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	34.76	(0.56)	(2.01)	32.19	(1.52)
Interim dividend	-	-	-	-	-	-	-	-	(173.63)	-	-	-	-	(173.63)	-
Change in minority	-	-	(689.64)	(29.36)	-	(92.39)	-	-	(287.07)	-	-	-	-	(1,098.46)	1,098.46
Share issue expenses	-	-	(24.13)	-	-	-	-	-	-	-	-	-	-	(24.13)	-
Transfer to/ from reserves	-	-	6.07	1.09	186.51	158.10	-	-	(344.61)	(7.16)	-	-	-	(0.00)	-
Addition during the year	-	-	2,289.17	-	-	-	-	-	-	2.62	-	-	-	2,291.79	-
Balance as at March 31, 2023	-	**85.49**	**3,427.32**	**624.95**	**1,032.11**	**468.68**	**230.11**	**12.80**	**3,026.10**	**9.65**	**(4.63)**	**9.09**	**(5.70)**	**8,913.97**	**1,210.08**
Profit for the year	-	-	-	-	-	-	-	-	1,763.34	-	-	-	-	1,763.54	210.68
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(9.71)	(1.27)	(4.79)	(15.77)	(1.53)
Interim dividend	-	-	-	-	-	-	-	-	(182.24)	-	-	-	-	(182.24)	-
Change in minority	-	-	-	-	-	-	-	-	(0.22)	-	-	-	-	(0.22)	0.22
Transfer to/ from reserves	-	-	4.39	(0.45)	217.19	205.40	-	-	(422.59)	(3.94)	-	-	-	0.00	-
Addition during the year	0.49	-	19.20	-	-	-	-	-	-	59.71	-	-	-	79.40	-
Balance as at March 31, 2024	**0.49**	**85.49**	**3,450.91**	**624.50**	**1,249.30**	**674.08**	**230.11**	**12.80**	**4,184.59**	**65.42**	**(14.34)**	**7.82**	**(10.49)**	**10,560.68**	**1,419.45**

Notes:

1. Share application money pending allotment: Money received for share application for which allotment is pending.

2. Capital reserves: Capital reserve is created on account of Composite Scheme of Arrangement.

3. Securities premium reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. Total additions to Securities Premium is after netting of share issue expenses.

4. General reserve: The reserve can be distributed/utilised by the Group, in accordance with the Companies Act, 2013

5. Special reserve: Pursuant to section 45-IC of the Reserve Bank of India Act 1934, being 20% of the profit after tax for the year of IIFL Finance Limited and IIFL Samasta Finance Limited has been transferred from Retained Earnings to Special Reserve

6. Special reserve: Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared

7. Capital redemption reserve: This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.

8. Debenture redemption reserve: Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance Company ("NBFC") and Housing Finance Company ("HFC") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.

9. Retained earnings: These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.

10. Share options outstanding account: The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

11. Effective portion of cash flow hedges: This reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

12. Remeasurements of defined benefit: This reserve 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.

See accompanying notes forming part of the financial statements (1 - 51)

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Rajiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance officer

Place : Mumbai
Dated: June 15, 2024

Note 1. CORPORATE INFORMATION

Company overview

IIFL Finance Limited (the "Company/ Parent/ Holding Company") is a middle layer Non-Banking Financial Company not accepting public deposits registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 06, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities loans to small & medium enterprise ("SME"), Micro finance loans ("MFI") and digital finance loans etc.

Note 2. Basis of consolidation

i. Basis of preparation of financial statements

The consolidated financial statements relate to IIFL Finance Limited (the "Company") and its subsidiary/group companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Group has:

- 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

ii. Principles of consolidation:

a) The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("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 below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

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Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Group 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 for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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 not traded in active market) 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.

b) The effects of all intra-Group transactions and balances have been eliminated on consolidation.

c) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2024.

d) The consolidated financial statements of the Group 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) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired, and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and

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liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired, and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

f) Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment.

Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary 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 'Other equity', in the consolidated financial statements. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements. Goodwill arising on consolidation is not amortised but tested for impairment.

g) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

h) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2024, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2024 of following subsidiaries are included in consolidation:

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn No. 109983W Chartered Accountants

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary	
			As at March 31, 2024	As at March 31, 2023
IIFL Home Finance Limited (HFC) (Consolidated)	Direct Subsidiary	India	79.59%	79.59%
IIFL Samasta Finance Limited (Samasta)	Direct Subsidiary	India	99.56%	99.51%
IFL Open Fintech Private Limited	Direct Subsidiary	India	51.02%	51.02%

iv. 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, judgments, 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.

The Financial Statements are presented in Indian rupees which is determined to be functional currency of the Group and the currency of primary economic environment in which the Group operates.

v. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") and National Housing Bank ("NHB"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations require a different treatment.

vi. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

("NBFC"). 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 consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI and NHB.

Note 3. MATERIAL 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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

Interest income on Direct assignment pool is recognised on time proportion basis net off amount payable to assignees.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 behavioural pattern and contractual terms of the instrument.

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.

Additional Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

Dividend is recognised as income when the right to receive 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 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.

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point- in-time basis and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

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. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, 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 recognises a collateralised borrowing for the proceeds received.

vi. Other operational revenue

Other operational revenue 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 original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

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.

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 ready 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 / group of similar 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

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

leasehold period.

The estimated useful life of assets is as under:

Class of assets	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above 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.

An item of PPE 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 PPE 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.

Capital work in progress

Projects under which PPE 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.

Intangible assets i.e., Software are amortised on straight-line basis over the estimated useful life of 3 years. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

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 under development
Intangible assets not ready for their intended use on the Balance Sheet date are disclosed as "Intangible assets under development".

(d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regd. No. 109983W Chartered Accountants

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 net of accumulated depreciation of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) 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.

(f) Impairment of 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.

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 is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it 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.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:
- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

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- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

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

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 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 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) 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.

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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.

(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 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 is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and 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

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when 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 the Statement of Profit and Loss.

Financial assets

Classification and 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.

Financial instruments 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 ("SPPI") 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.

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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 Statement of profit and 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 and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus transaction cost attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to

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investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Group's right to receive dividends is established.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

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. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is 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 measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- 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.
- Loss given default ("LGD") estimates the normalised loss which Group incurs post customer

default. It is usually expressed as a percentage of the Exposure at default ("EAD").

- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

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 computation is as per the applicable prudential regulatory norms.

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. 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.

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Modification and derecognition 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 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 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.

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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 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.

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.

Compound instruments

The component parts of compound instruments (e.g., convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

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At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.
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 Statement of Profit and Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(l) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin

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money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. 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 method.

(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 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(p) Segment reporting

The Group's primary business segments are reflected based on the principal business carried out i.e., financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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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 neither recognised nor disclosed in the consolidated financial statements.

(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) 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.

(t) 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.

(u) Derivative financial instruments and hedging

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 the Statement of Profit and Loss immediately unless the

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derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and 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.

(v) 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

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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 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 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 statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group as a lessee

As a lessee, the Group leases assets which includes gold loan branches/office premises and vehicles to employees. The Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for these leases.

Note 4. Cash and cash equivalents (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	49.92	60.73
Cheques on hand	1.22	105.73
Balance with banks - In current accounts	1,498.35	1,210.64
- In deposit accounts (original maturity less than or equal to three months)	920.07	1,453.69
- Interest accrued on deposits	0.31	1.37
CCIL lending / money at call or short notice	-	799.97
Total	2,469.87	3,632.13

Note 5. Bank balance (other than cash and cash equivalents) (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks in earmarked accounts towards unclaimed amount on NCD, dividend, and unspent CSR	26.14	11.28
In deposit accounts (refer note 5.1)	1,720.74	2,160.84
Interest accrued on deposits (refer note 5.1)	28.97	36.24
Total	1,775.85	2,208.36

Note 5.1 Out of the deposits shown above (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lien marked	1,556.58	1,795.94
Margin for credit enhancement	104.71	133.63
Other deposits	88.42	267.51
Total	1,749.71	2,197.08

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Note 6: Derivative financial instruments

(₹ in crores)

Part I	As at March 31, 2024			As at March 31, 2023		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives:						
Spot and forwards	4,074.52	140.65	30.92	4,678.79	145.89	33.15
Cross currency interest rate swaps	413.10	-	4.26	363.08	44.02	-
(ii) Interest rate derivatives						
Forward rate agreements and interest rate swaps	695.50	17.04	-	695.50	26.48	-
Options purchased*	-	-	-	4.32	9.22	9.22
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives						
Forward exchange contract	1,092.46	-	(1.65)	968.75	(2.03)	-
Total	**6,275.58**	**157.69**	**33.53**	**6,710.44**	**223.58**	**42.37**

* Unsecured Non Convertible Debentures (NCD) of ₹ nil (P.Y. ₹ 9.22 Crore) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

(₹ in crores)

Part II	As at March 31, 2024			As at March 31, 2023		
	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) Fair value hedging						
Options purchased*	-	-	-	4.32	9.22	9.22
(ii) Cash flow hedging						
Currency derivatives	4,487.62	140.65	35.18	5,041.87	189.91	33.15
Interest rate derivative	695.50	17.04	-	695.50	26.48	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives						
Currency derivative	-	-	-	-	-	-
Interest rate derivative	-	-	-	-	-	-
Forward exchange contract	1,092.46	-	(1.65)	968.75	(2.03)	-
Total	**6,275.59**	**157.69**	**33.53**	**6,710.44**	**223.58**	**42.37**

* Unsecured Non Convertible Debentures (NCD) of ₹ nil (P.Y. ₹ 9.22 Crore) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

Credit risk and currency risk

(₹ 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	3,147.25	157.69	-	-	3,147.25	157.69
Derivative liabilities	3,128.60	33.53	-	-	3,128.60	33.53
As at March 31, 2023						
Derivative asset	3,493.17	223.58	4.32	9.22	3,488.86	214.36
Derivative liabilities	3,221.59	42.37	4.32	9.22	3,217.27	33.15

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6.1 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.

6.1.1 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. Interest on the borrowing is payable at a floating rate linked to the Benchmark Plus Margin. The Group economically hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap and also with 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 relating interest rate and currency risk 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 standards. These contracts are stated at fair value of the Spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the 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, 2024	As at March 31, 2023
Notional amount	6,275.58	6,706.12
Carrying amount	124.16	181.22
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	(20.83)	10.13

(₹ in crores)

Impact of hedging item	As at March 31, 2024	As at March 31, 2023
Change in fair value profit / (loss)	-	-
Cash flow hedge reserve profit / (loss)	(20.83)	12.69
Cost of hedging	-	(2.56)

(₹ in crores)

Effect of cash flow hedge	As at March 31, 2024	As at March 31, 2023
Total hedging gain / (loss) recognised in OCI	(11.20)	34.76
Ineffectiveness recognised in profit or (loss)	(15.13)	(2.46)

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Note 7. Receivables

(₹ in crores)

Receivables	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
Receivables considered good - Secured	0.20	1.72
Receivables considered good - Unsecured*	107.85	118.80
Receivables considered good - significant increase in credit risk	0.20	0.10
Receivables - credit impaired	-	8.11
Total (i) - Gross	108.25	128.73
Less: Impairment loss allowance	(5.83)	(7.30)
Total (i) - Net	102.42	121.43
(ii) Other receivables		
Receivables considered good - Unsecured	29.65	15.47

* including receivable from other related parties (refer note 42.2)

Notes:

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person nor from any firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group had adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.
3. Trade receivables are non-interest bearing.

Note 7.1 Trade Receivables Ageing Schedule

(₹ in crores)

Particulars (As at March 31, 2024)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	48.53	59.52	-	-	-	-	108.05
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	0.03	0.15	0.02	-	-	0.20
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	48.53	59.55	0.15	0.02	-	-	108.25

(₹ in crores)

Particulars (As at March 31, 2023)	Outstanding for following periods from due date of payment						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	3.99	116.40	0.03	0.10	-	-	120.52
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	0.06	0.04	-	-	-	0.10
(iii)Undisputed Trade Receivables – credit impaired	-	-	6.45	1.66	-	-	8.11
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	3.99	116.46	6.52	1.76	-	-	128.73

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Note 8. Loans

(₹ in crores)

Particulars	As at March 31, 2024		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	46,143.43	4,552.10	50,695.53
(ii) Non Convertible Debentures - for financing real estate projects	340.75	-	340.75
(iii) Related Parties	0.01	-	0.01
(iv) Others (Dues from Customers etc)	1,148.35	-	1,148.35
Total (A) - Gross	**47,632.54**	**4,552.10**	**52,184.64**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 470.86 crore)	(1,200.65)	(31.67)	(1,232.32)
Total (A) - Net	**46,431.89**	**4,520.43**	**50,952.32**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	32,261.25	4,008.26	36,269.51
(ii) Covered by Bank/ Government guarantees	71.35	-	71.35
(iii) Unsecured	15,299.94	543.84	15,843.78
Total (B) - Gross	**47,632.54**	**4,552.10**	**52,184.64**
Less: Impairment loss allowance	(1,200.65)	(31.67)	(1,232.32)
Total (B) - Net	**46,431.89**	**4,520.43**	**50,952.32**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	47,632.54	4,552.10	52,184.64
Total(C) (I) - Gross	**47,632.54**	**4,552.10**	**52,184.64**
Less: Impairment loss allowance	(1,200.65)	(31.67)	(1,232.32)
Total(C) (I) - Net	**46,431.89**	**4,520.43**	**50,952.32**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**46,431.89**	**4,520.43**	**50,952.32**

(₹ in crores)

Particulars	As at March 31, 2023		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	32,069.73	6,984.42	39,054.15
(ii) Non Convertible Debentures - for financing real estate projects	1,207.34	-	1,207.34
(iii) Related parties	0.14	-	0.14
(iv) Others (Dues from Customers etc)	1,116.75	-	1,116.75
Total (A) - Gross	**34,393.96**	**6,984.42**	**41,378.38**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 304.88 crore)	(1,174.86)	(60.45)	(1,235.31)
Total (A) - Net	**33,219.10**	**6,923.97**	**40,143.07**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	24,128.45	6,736.40	30,864.85
(ii) Covered by Bank/ Government guarantees	192.45	0.73	193.18
(iii) Unsecured	10,073.06	247.29	10,320.35
Total (B) - Gross	**34,393.96**	**6,984.42**	**41,378.38**
Less: Impairment loss allowance	(1,174.86)	(60.45)	(1,235.31)
Total (B) - Net	**33,219.10**	**6,923.97**	**40,143.07**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	34,393.96	6,984.42	41,378.38
Total (C) (I)-Gross	**34,393.96**	**6,984.42**	**41,378.38**
Less: Impairment loss allowance	(1,174.86)	(60.45)	(1,235.31)
Total (C) (I)-Net	**33,219.10**	**6,923.97**	**40,143.07**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**33,219.10**	**6,923.97**	**40,143.07**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.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.

8.2 Secured loans include loans aggregating to ₹ 71.01 crores (P.Y. ₹ 218.77 crores) in respect of which the creation of security is under process.

8.3 The Group has not classified any financial asset from its gold loan portfolio under FVTOCI category as of March 31, 2024 (refer note no 48 and 49).

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Note 9. Investments (₹ in crores)

Particulars	As at March 31, 2024		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	61.70	-	61.70
Alternate investment funds	20.77	-	20.77
Security receipts	3,191.08	-	3,191.08
Government Securities	55.46	199.94	255.40
Bonds / Debt securities	293.45	75.86	369.31
Preference Shares	40.16	-	40.16
Commercial Papers	-	98.27	98.27
Equity instruments			
in others	24.13	0.05	24.18
Debt instruments	-	6.20	6.20
Total – Gross (A)	**3,686.75**	**380.32**	**4,067.07**
Less: Impairment loss allowance	(7.09)	(1.00)	(8.09)
Total – Net (A)	**3,679.66**	**379.32**	**4,058.98**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	3,686.75	380.32	4,067.07
Total – (B)	**3,686.75**	**380.32**	**4,067.07**
Less: Impairment loss allowance	(7.09)	(1.00)	(8.09)
Total Net (B)	**3,679.66**	**379.32**	**4,058.98**

(₹ in crores)

Particulars	As at March 31, 2023		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	57.49	-	57.49
Alternate investment funds	1,132.68	-	1,132.68
Security receipts	1,209.60	-	1,209.60
Government Securities	5.04	-	5.04
Bonds / Debt securities	346.52	-	346.52
Preference Shares	38.17	-	38.17
Certificate of Deposits	-	646.40	646.40
Commercial Papers	-	397.34	397.34
Equity instruments	-	-	
in others	-	0.05	0.05
Debt instruments	-	7.61	7.61
Total – Gross (A)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total – Net (A)	**2,459.60**	**1,051.40**	**3,511.00**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,789.50	1,051.40	3,840.90
Total – (B)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total Net (B)	**2,459.60**	**1,051.40**	**3,511.00**

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Note 9.1 Investment details scrip wise

Particulars	As at March 31, 2024			As at March 31, 2023		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in crores)
Mutual funds			**61.70**			**57.49**
Nippon India Mutual Fund ETF Liquid BeES	38.72	1,000.00	0.00	36.71	1,000.00	0.00
Aditya Birla Sunlife Liquid Fund- Growth-Direct Plan(formerly known as Aditya Birla Sun Life Cash Plus)	15,83,308.60	10.00	61.70	15,83,308.60	10.00	57.49
Alternate investment fund			**20.77**			**1,132.68**
Phi Capital Growth Fund-I	242.01	1,00,000.00	7.60	319.12	1,00,000.00	8.59
Phi Capital Growth Fund-I.6	48.63	1,00,000.00	0.43			-
Indiareit Apartment Fund - Class B	-	-	-	11.29	1,00,000.00	0.08
IIFL One Value Fund Series B - Class B	-	-	-	60,88,37,542.29	10.00	666.21
IIFL One Value Fund Series B - Class C	50,00,000.00	10.00	5.68	36,34,64,973.29	10.00	436.88
Faering Capital Growth Fund III	17,750.00	1,000.00	1.57	15,500.00	1,000.00	1.40
IIFL Securities Capital Enhancer Fund Class S	10,00,000.00	10.00	1.41	1,34,18,161.87	10.00	15.45
IIFL Securities Capital Enhancer Fund Class E	1,999.90	10.00	0.00	1,999.90	10.00	0.00
IIFL One Opportunities FOF - Series 1	30,95,601.13	10.00	4.08	30,95,601.13	10.00	4.07
Preference Shares			**40.16**			**38.17**
Open Financial Technologies Private Limited	201.00	100.00	40.16	201.00	100.00	38.17
Debt instruments			**6.20**			**7.61**
Elite Mortgage HL Trust June 2019Series A PTC	5.00	3,58,54,404.00	6.20	5.00	3,58,54,404.00	7.61
Equity instruments			**24.18**			**0.05**
Alpha Microfinance Consultants Private Limited	50,000.00	10.00	0.05	50,000.00	10.00	0.05
Swan Energy Limited	1,94,029.00	1.00	13.00			
Suraj Estate Developers Ltd	4,26,527.00	5.00	11.13			
Bonds			**369.31**			**346.52**
Andhra Pradesh State Beverages Corporation Limited	163.00	2,50,000.00	4.07	450.00	2,50,000.00	11.26
Andhra Pradesh State Beverages Corporation Limited	2,022.00	10,00,000.00	188.73	3,353.00	10,00,000.00	335.26
Adani Ports And Special Economic Zone Limited	10,000.00	1,00,000.00	100.65			
Vatika One India Next Pvt Ltd	4,240.00	1,00,000.00	44.94			
Vatika Limited	2,873.00	1,00,000.00	30.92			
Government Securities			**255.40**			**5.04**
07.38 % Govt. 50,000,000.00 Stock 2027	5,00,000.00	100.00	5.05	5,00,000.00	100.00	5.04
7.18% G.S. 2033	50,00,000.00	100.00	50.41			
Others (Money lent against government securities - CROMS)	-	-	199.94			
Certificate of Deposits			-			**646.40**
Axis Bank Limited CD 15MAY23	-	-	-	500.00	5,00,000.00	24.78
Bank of Maharashtra CD 05APR23	-	-	-	2,000.00	10,00,000.00	98.49
Bank of Maharashtra CD 12MAY23	-	-	-	1,000.00	2,50,000.00	49.59
Canara Bank CD 17APR23	-	-	-	2,000.00	5,00,000.00	98.40
HDFC Bank Limited CD 13APR23	-	-	-	2,000.00	6,25,000.00	98.37
HDFC Bank Limited CD 15MAY23	-	-	-	1,600.00	4,00,000.00	79.31
Punjab National Bank CD 18MAY23	-	-	-	2,000.00	5,00,000.00	99.07
Punjab National Bank CD 23JUN23	-	-	-	2,000.00	5,00,000.00	98.39
Commercial Papers			**98.27**			**397.34**
Deutsche Investments India Private Limited 162D CP 30Apr24	1,000.00	5,00,000.00	48.86	-		-
National Bank For Agriculture And Rural Development 91D CP 30Apr24	1,000.00	5,00,000.00	49.41	-		-
National Bank For Agriculture And Rural Development 90D CP 20APR23	-	-	-	6,000.00	5,00,000.00	298.81
Small Industries Development Bank Of India 91D CP 16JUN23	-	-	-	2,000.00	5,00,000.00	98.53
Security Receipts			**3,191.08**			**1,209.60**
ACRE-110-Trust (Tranche I)	38,25,000.00	887.11	308.78	38,25,000.00	895.48	325.40
ACRE-110-Trust (Tranche II)	53,97,500.00	950.14	384.63	53,97,500.00	952.52	488.42
Arcil-SBPS-049-I-Trust	8,33,000.00	140.85	11.73	8,33,000.00	275.20	22.92
Phoenix Trust-FY23-20	21,25,000.00	886.00	188.28	21,25,000.00	1,000.00	212.50
Phoenix Trust-FY24-8	8,26,000.00	982.00	81.11	-	-	-
Phoenix Trust-FY24-14	1,30,00,000.00	1,000.00	1,300.00	-	-	-
SBI-045 (Rare SR)	5,00,000.00	1,000.00	50.00	-	-	-
Rare-ARC-068	58,65,000.00	1,000.00	586.50	-	-	-
RARE ARC 06801	10,95,000.00	1,000.00	109.50	-	-	-
Invent/2223/IIFL Samasta/P18 Trust	5,12,958.00	1,000.00	51.30	8,04,678.00	1,000.00	80.46
Invent/2223/IIFL Samasta/P19 Trust	6,01,205.00	1,000.00	60.12	7,99,000.00	1,000.00	79.90
INVENT/2324/P23	5,91,311.00	1,000.00	59.13		-	-
Total Gross			**4,067.07**			**3,840.90**

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Sharp & Tannan Associates
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Chartered Accountants

Note 10. Other financial assets

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	59.96	49.27
Deposit with Exchange	0.25	0.25
Interest strip asset on assignment	1,172.54	1,309.34
Staff advances	0.15	0.26
Insurance receivable	50.15	65.28
Less: Provisions on insurance receivables (refer note 10.1)	(39.38)	(36.77)
Other receivables	163.47	215.17
Accrued interest on investments	5.43	7.20
Other advance	5.56	5.56
Less : Impairment loss allowance on Other advances (refer note 10.2)	(5.56)	-
(Unsecured, considered doubtful)		
Security deposit for rented premises	0.89	0.98
Less: Impairment loss allowance on security deposit (refer note 10.3)	(0.89)	(0.98)
Total	**1,412.57**	**1,615.56**

Note 10.1: Impairment loss allowance on Insurance Receivable

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**36.77**	**26.63**
Addition	6.88	11.74
Reduction	(4.27)	(1.60)
Closing	**39.38**	**36.77**

Note 10.2: Impairment loss allowance on Other advances

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	-	-
Addition	5.56	-
Reduction	-	-
Closing	**5.56**	**-**

Note 10.3: Provisions on security deposit

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**0.98**	**1.12**
Addition	0.33	0.41
Reduction	(0.42)	(0.55)
Closing	**0.89**	**0.98**

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Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in crores)

(A) Deferred tax asset	Opening balance (as on April 1, 2023)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2024)
Deferred tax assets				
Property, plant and equipment	32.31	5.60	-	37.91
Provisions, allowances for doubtful receivables / loans	323.84	(19.82)	-	304.02
Compensated absences and retirement benefits	10.01	4.13	1.66	15.80
MTM on derivative financial instruments	40.03	(17.70)	14.12	36.45
Expenses deductible in future years	(10.52)	(6.07)	-	(16.59)
Cash flow hedge reserve	3.44	-	1.85	5.29
Fair value of financial instruments	(6.49)	(1.49)	0.40	(7.58)
Leases - Ind AS 116	7.03	(0.26)	-	6.77
Income amortisation (net)	(276.98)	44.92	-	(232.06)
Provision on investment	-	1.78	-	1.78
Deferred tax assets (net)	**122.67**	**11.09**	**18.03**	**151.79**

(₹ in crores)

(B) Deferred tax liability	Opening balance (as on April 1, 2023)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2024)
Deferred tax liability				
Property, plant and equipment	(0.00)	0.00	-	(0.00)
Bonuses, Compensated absences and retirement benefits	-	0.03	-	0.03
Expenses deductible in future years	0.02	0.43	-	0.46
C/f losses on investments	(0.63)	(1.06)	-	(1.69)
Deferred tax liability (net)	(0.61)	(0.60)	-	**(1.21)**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(₹ in crores)

(A) Deferred tax asset	Opening balance (as on April 1, 2022)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets				
Property, plant and equipment	27.74	4.57	-	32.31
Provisions, allowances for doubtful receivables / loans	331.14	(7.30)	-	323.84
Compensated absences and retirement benefits	6.60	2.73	0.68	10.01
MTM on derivative financial instruments	76.45	(23.94)	(12.48)	40.03
Expenses deductible in future years	(6.07)	(4.45)	-	(10.52)
Cash flow hedge reserve	10.89	-	(7.45)	3.44
Fair value of financial instruments	(3.23)	(3.45)	0.19	(6.49)
Leases - Ind AS 116	8.48	(1.45)	-	7.03
Income amortisation (net)	(166.18)	(110.80)	-	(276.98)
Deferred tax assets (net)	**285.82**	**(144.09)**	**(19.06)**	**122.67**

(B) Deferred tax liability	Opening balance (as on April 1, 2022)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax liability				
Property, plant and equipment	-	(0.00)	-	(0.00)
Expenses deductible in future years	-	0.02	-	0.02
C/f losses on investments	-	(0.63)	-	(0.63)
Deferred tax liability (net)	-	**(0.61)**	-	**(0.61)**

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Note 12. Investment property (at cost)

(₹ in crores)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2023	155.60	2.75	138.16	296.51
Deductions/adjustments during the year	-	-	-	-
As at March 31, 2024	155.60	2.75	138.16	296.51
Less : Adjustments / Depreciation	(0.01)	(0.60)	-	(0.61)
Net carrying value as at March 31, 2024	155.59	2.15	138.16	295.90
Fair value as on March 31, 2024 (Fair value hierarchy : Level 2 / Level 3)	193.43	13.88	151.66	358.97

*Distress value of above flats is ₹ 159.27 crores.

(₹ in crores)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2022	155.60	7.48	138.16	301.24
Deductions/adjustments during the year	-	(4.73)	-	(4.73)
As at March 31, 2023	155.60	2.75	138.16	296.51
Less : Adjustments / Depreciation	(0.01)	(0.46)	-	(0.47)
Net carrying value as at March 31, 2023	155.59	2.29	138.16	296.04
Fair value as on March 31, 2023 (Fair value hierarchy : Level 2 / Level 3)	192.18	14.09	150.66	356.94

*Distress value of above flats is ₹ 158.23 crores.

12.1: The management of the parent Company has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready reckoner published by government. These valuations has been performed by an independent registered valuer registered under rule 2 of Companies (Registered Valuers and Valuation) Rules,2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been ready to use.

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Note 13. Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2023	0.09	4.00	174.42	2.26	45.11	24.55	51.64	87.94	390.01
Additions during the year	-	1.87	30.51	2.55	17.53		8.92	24.32	85.70
Deductions/adjustments	-	(0.27)	(14.37)	(1.77)	(4.06)	(24.55)	(2.38)	(11.71)	(59.11)
As at March 31, 2024	0.09	5.60	190.56	3.04	58.58	(0.00)	58.18	100.55	416.60
Depreciation									
As at April 1, 2023	-	1.97	95.09	1.60	17.47	8.47	29.92	59.36	213.88
Depreciation for the year	-	0.87	33.11	0.57	15.01	0.35	9.38	19.73	79.02
Deductions/adjustments	-	(0.18)	(13.96)	(1.15)	(3.94)	(8.82)	(2.16)	(10.56)	(40.77)
Up to March 31, 2024	-	2.66	114.24	1.02	28.54	(0.00)	37.14	68.53	252.13
Net block As at March 31, 2024	0.09	2.94	76.32	2.02	30.04	(0.00)	21.04	32.02	164.47

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures by the Holding Company.
During the year, the Group has not revalued any of its property, plant or equipment.

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2022	0.09	2.26	135.96	1.57	28.98	24.55	40.13	68.89	302.43
Additions during the year	-	2.12	40.87	0.69	16.25		12.60	23.35	95.88
Deductions/adjustments		(0.38)	(2.41)		(0.12)		(1.09)	(4.30)	(8.30)
As at March 31, 2023	0.09	4.00	174.42	2.26	45.11	24.55	51.64	87.94	390.01
Depreciation									
As at April 1, 2022	-	1.41	65.08	1.53	10.92	7.05	21.18	45.78	152.95
Depreciation for the year	-	0.64	32.09	0.07	6.69	1.42	9.66	15.31	65.88
Deductions/adjustments	-	(0.08)	(2.08)		(0.14)		(0.92)	(1.73)	(4.95)
Up to March 31, 2023	-	1.97	95.09	1.60	17.47	8.47	29.92	59.36	213.88
Net block As at March 31, 2023	0.09	2.03	79.33	0.66	27.64	16.08	21.72	28.58	176.13

* The above freehold Land is hypothecated with Debenture Trustee(s) for issue of secured non-convertible debentures by the Holding Company.
During the year, the Group has not revalued any of its property, plant or equipment.

Note 13.1. Capital Work-in Progress (CWIP)
Ageing schedule
2023-24

(₹ in crores)

Particulars	As at March 31, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41.72	10.11	-	-	51.83
Projects temporarily suspended	-	-	-	-	-

2022-23

(₹ in crores)

Particulars	As at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	27.82	0.04	0.06	-	27.92
Projects temporarily suspended	-	-		-	

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 13.2. Intangible assets under development
Ageing schedule
2023-24

(₹ in crores)

Particulars	As at March 31, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	-	-

2022-23

(₹ in crores)

Particulars	As at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.49	-	-	-	0.49
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

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Note 14. Leases
(i) As a Lessee
a) Changes in the carrying value of right to use assets:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2023	**383.14**	**3.46**	**386.60**
Addition during the year	120.85	1.81	122.66
Deduction/Adjustment	30.07	(0.08)	29.99
Depreciation during the year	(101.67)	(1.47)	(103.14)
Closing Balance As at March 31, 2024	**432.39**	**3.72**	**436.11**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**326.18**	**1.19**	**327.37**
Addition during the year	162.13	3.28	165.41
Deduction/Adjustment	(21.74)	(0.08)	(21.82)
Depreciation during the year	(83.43)	(0.92)	(84.35)
Closing Balance As at March 31, 2023	**383.14**	**3.46**	**386.60**

b) 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	104.67	96.43
Non-current lease liabilities	356.83	317.00
Total	**461.50**	**413.43**

c) Movement in lease liabilities:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2023	**409.77**	**3.66**	**413.43**
Addition during the year	120.39	1.81	122.20
Deduction/Adjustment	27.76	(0.08)	27.68
Finance cost accrued during the period	39.01	0.33	39.34
Payment of lease liabilities	(139.40)	(1.75)	(141.15)
Closing Balance As at March 31, 2024	**457.53**	**3.97**	**461.50**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**359.40**	**1.28**	**360.68**
Addition during the year	159.61	3.29	162.90
Deduction/Adjustment	(25.27)	(0.06)	(25.33)
Finance cost accrued during the period	34.42	0.20	34.62
Payment of lease liabilities	(118.39)	(1.05)	(119.44)
Closing Balance As at March 31, 2023	**409.77**	**3.66**	**413.43**

d) Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	138.07	125.21
One to two years	110.44	104.18
Two to five years	204.33	189.51
More than five years	142.53	108.60
Total	**595.37**	**527.49**

e) Rental expense recorded for short-term leases was ₹ 45.35 crores (P.Y ₹ 31.04 crores)

f) Amounts recognised in profit or loss

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Interest on lease liabilities	39.35	34.62
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.29	0.43
Depreciation relating to leases	103.14	84.35
Total	**142.78**	**119.40**

g) Amounts recognised in the statement of cash flows

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Total cash outflow for leases	141.14	119.44

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Note 15. Other Intangible Assets

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2023	**13.27**
Additions during the year	3.82
Deductions /Adjustments	-
As at March 31, 2024	**17.09**
Amortisation	
As at April 01, 2023	**9.89**
Additions during the year	2.52
Deductions /Adjustments	-
Up to March 31, 2024	**12.41**
Net block As at March 31, 2024	**4.68**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2022	**9.96**
Additions during the year	3.31
Deductions /Adjustments	-
As at March 31, 2023	**13.27**
Amortisation	-
As at April 01, 2022	**7.85**
Additions during the year	2.04
Deductions /Adjustments	-
Up to March 31, 2023	**9.89**
Net block As at March 31, 2023	**3.38**

Note 15.1: *The Group has not revalued its Intangible Assets.*

Note 15.2: *None of the intangible assets are internally generated.*

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Note 16. Other Non-Financial Assets

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses	87.42	134.31
Receivable from securitisation trust	25.00	80.00
Advances for operational expenses*	9.30	25.93
Deposit with government	1.98	1.98
GST / Service tax input	19.07	11.06
Capital Advance	0.07	0.20
Other assets	11.99	18.94
Total	**154.83**	**272.42**

* includes foreign currency payments amounting to ₹ 0.51 crores (P.Y ₹ 9.32 crores)

Note 17. Non current assets held for sale

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non current assets held for sale	-	7.85
Total	-	**7.85**

(i) Non current assets held for sale include Group's owned property which it intends to sell in the near future.

Note 18. Payables

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(I) Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note	8.84	3.02
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	23.24	38.28
Accrued salaries and benefits	9.81	1.49
Provision for expenses	172.05	153.26
Other trade payables *	2.74	1.25
Sub-Total (ii)	**207.84**	**194.28**
Total (i+ii)	**216.68**	**197.30**
(II) Other Payables		
(i)Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small	-	-
Total (II)	-	-

* including payable to other related parties (refer note 42.2)

Note 18.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

Particulars	2023-24	2022-2023
(a) Principal amount remaining unpaid to any supplier at the year end	8.84	3.02
(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	-	0.00
(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 Group to its inquiries with suppliers with regard to applicability under the said Act.

Note 18.2 Trade Payables ageing schedule

(₹ in crores)

Particulars As at March 31, 2024	Unbilled	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.08	5.76	-	-	-	8.84
(ii) Others	154.04	53.35	0.36	0.05	0.04	207.84
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

(₹ in crores)

Particulars As at March 31, 2023	Unbilled	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.00	0.02	-	-	-	3.02
(ii) Others	143.76	49.96	0.55	0.00	0.01	194.28
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

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Note 19. Debt Securities

(₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
(i) Non Convertible Debentures (refer note (a), (b), 19.1 and 19.2) - Secured	7,420.65	7,659.78
Less : Unamortised debenture issue expenses	(60.16)	(25.73)
Less : Unexpired discount on NCD	-	(0.07)
(ii) Commercial Papers - Unsecured (refer note 19.1)	1,335.00	-
Less : Unexpired discount on Commercial Paper	(31.34)	-
(iii) Interest accrued but not due	366.19	291.32
Total (A)	**9,030.34**	**7,925.30**
Debt Securities in India	9,030.34	5,614.20
Debt Securities outside India	-	2,311.10
Total (B)	**9,030.34**	**7,925.30**

Notes:

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, investment property, loans and advances including receivables other than those specifically charged.

(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 19.1 - Terms of repayment

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
(A) Non Convertible Debenture (Secured):		**7,420.65**		**7,659.78**
Fixed:		**6,995.33**		**7,181.21**
More than 5 years	5.00% - 9.45%	1,958.22	5.00% - 9.45%	2,458.92
3- 5 years	5.00% - 10.50%	1,891.87	8.20% - 9.00%	812.24
1-3 years	5.00% - 10.05%	2,417.35	8.25% - 10.33%	946.45
Less than 1 years	5.00% - 8.75%	727.89	8.25% - 11.50%	2,963.60
Floating:^		**133.80**		**115.00**
1-3 years		-	8.25%	115.00
Less than 1 years	9.00%	133.80		-
Zero Coupon:		**291.52**		**363.57**
More than 5 years		-	8.75%	5.53
3- 5 years	8.75%	5.53	8.50% - 8.75%	31.44
1-3 years	8.50% - 8.75%	31.17	8.00% - 10.30%	255.30
Less than 1 years	8.00% - 10.30%	254.82	8.25%	71.30
(B) Commercial Papers (net) (Unsecured):		**1,335.00**		
Less than 1 years	9.00% - 9.95%	1,335.00		-
Total (A+B)		**8,755.65**		**7,659.78**

^ The floating rate non convertible debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

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Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.50% Secured Rated Annual Listed Redeemable Non convertible Debentttures Series D23. Date of Maturity 15/04/2024	8.50%	125.00	0.00
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	51.30
9.00% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity 30/04/2024	9.00%	74.80	74.80
9.00% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity 30/04/2024	9.00%	59.00	59.00
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
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024	8.50%	26.00	26.00
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024	8.25%	115.00	115.00
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	100.00	100.00
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	92.83	93.88
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	56.79	57.27
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
Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche II. Date Of Maturity 03/01/2025	8.25%	26.73	26.73
8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025	8.50%	45.63	45.63
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025	8.50%	30.07	30.07
8.35% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES I. Date Of Maturity 28/06/2025	8.35%	46.99	0.00
8.35% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES II. Date Of Maturity 28/06/2025	8.35%	14.24	0.00
8.50% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES III. Date Of Maturity	8.50%	123.58	0.00
8.50% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES IV. Date Of Maturity 28/06/2025	8.50%	8.91	0.00
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	0.00	15.00
9.21% Secured Rated Annual Listed Redeemable Non convertible Debentures Series I. Date of Maturity 21/12/2025	9.21%	49.57	0.00
9.60% Secured Rated Annual Listed Redeemable Non convertible Debentures Series II. Date of Maturity 21/12/2025	9.60%	116.84	0.00
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026	8.75%	24.13	24.13
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026	8.75%	57.21	57.21
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	280.00
8.5% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D9 Maturity 22/05/2026	8.50%	320.00	0.00
8.20% Secured Rated Listed Redeemable Non Convertible Debentures Series D7.Date Of Maturity 28/09/2026	8.20%	112.00	112.00
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	144.22	146.22
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	134.12	135.72
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	26.92	27.19
10.00% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 26/11/2026	10.00%	150.00	-
9.57% Secured Rated Annual Listed Redeemable Non convertible Debentures Series III. Date of Maturity 21/12/2026	9.57%	34.05	-
10.00% Secured Rated Annual Listed Redeemable Non convertible Debentures Series IV. Date of Maturity 21/12/2026	10.00%	73.45	-
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
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche II. Date Of Maturity 03/01/2027	8.50%	4.25	4.25
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
9.50% Secured Rated Semi Annually Listed Redeemable Senior Non Convertible Debentures. Date Of Maturity 10/03/2027	9.50%	500.00	-
8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity 15/08/2027	8.36%	273.33	-
9% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028	9.00%	118.93	118.93
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028	9.00%	37.86	37.86
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028	8.65%	157.24	158.27
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
8.65% Secured Rated Monthly Listed Senior Redeemable Non Convertible Debentures Series V Date Of Maturity 28/06/2028	8.65%	88.91	-
9.00% Secured Rated Annually Listed Senior Redeemable Non Convertible Debentures Series VI Date Of Maturity 28/06/2028	9.00%	131.94	-
9.00% Secured Rated Listed Senior Redeemable Non Convertible Debentures Series VII Date Of Maturity 28/06/2028	9.00%	37.52	-
8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity 15/08/2028	8.36%	273.33	-
8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity 15/08/2029	8.36%	273.33	-
10.03% Secured Rated Annual Listed Redeemable Non convertible Debentures Series V. Date of Maturity 21/12/2028	10.03%	80.39	-
10.50% Secured Rated Annual Listed Redeemable Non convertible Debentures Series VI. Date of Maturity 21/12/2028	10.50%	157.72	-
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
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche II. Date Of Maturity 03/01/2029	8.75%	5.53	5.53

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(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.70% Secured Rated Listed Redeemable Non Convertible Debentures Series D5 Date Of Maturity 16/04/2029	8.70%	36.00	36.00
9.13% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029	9.13%	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 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
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	500.00	500.00
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	10.00	10.00
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	60.00	60.00
9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032	9.00%	10.00	10.00
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032	9.45%	550.00	550.00
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03%	-	2,251.39
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 21/04/2023	11.50%	-	15.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures Series. Date of Maturity 21/04/2023	11.50%	-	100.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	-	100.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 05/06/2023	11.50%	-	20.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 05/06/2023	11.50%	-	15.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 05/06/2023	11.50%	-	25.00
11.50% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 10/07/2023	11.50%	-	25.00
11.01% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity 01/09/2023	11.01%	-	25.00
11.01% Secured Rated Annual Listed Redeemable Non convertible Debentures. (MLD). Date of Maturity 01/09/2023	11.01%	-	80.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	-	307.21
Zero Coupon. Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	-	71.30
Total		7,420.65	7,659.78

* includes hedging cost

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Note 20. Borrowings (other than debt securities)

(₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(a) Term loan (refer note (a)) (i) From Banks, NHB and Financial institutions (refer notes (b) to (f), (h), (i), (j) and 20.1)	30,450.20	25,946.45
(ii) From others (refer note (g) and 20.1)	1,250.94	1,232.55
Less : Prepaid expenses	(152.62)	(117.39)
(b) Other loans (refer note (a))		
(i) Cash credit/ overdraft (refer note 20.2)	2,203.15	620.90
(ii) Securitisation liability (refer note 20.2)	280.45	743.94
Less : Prepaid expenses	(1.56)	(4.16)
(c) Interest accrued but not due	92.64	53.98
Total (A)	**34,123.20**	**28,476.27**
(B)		
Borrowings in India	30,172.37	25,591.00
Borrowings outside India	3,950.83	2,885.27
Total (B)	**34,123.20**	**28,476.27**

Notes:

(a) These loans are secured by way of a 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/exclusively charged.

(b) During the year FY 2023-24 the Group had borrowed ₹ 614.48 Crores (equivalent to US$ 75 Million) under External commercial borrowing. These are secured by way of a first ranking pari passu charge by way of hypothecation on all the borrower's charged asset in favour of the security holder in accordance with the Deed of Hypothecation.

(c) During the year, Group borrowed ₹ 410.25 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitised asset .

(d) During the year, Group borrowed ₹ 410.11 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge over all receivables/current assets of the borrower including book debts/receivables both present and future and which are "standard assets" but excluding book debt/receivables pertaining to capital market exposure and securitised assets.

(e) During the year, the Group borrowed ₹ 416.68 Crores denominated in Japanese Yen (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge on all present and future standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the borrower.

(f) During the previous year, the Group borrowed ₹ 395.28 crore (equivalent to USD 50 million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(g) During the previous year, the Group borrowed 822.00 crore (equivalent to USD 100 million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitised asset.

(h) 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.

(i) 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 Group.

(j) 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.

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Note 20.1 - Terms of repayment from Banks, NHB and Financial Institutions

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
Term loans from Banks and Financial institutions:*				
Fixed:		**5,972.65**		**6,716.95**
More than 5 years	5.84%	198.84		-
3-5 years	5.75% - 9.85%	341.80	8.45% - 9.80%	786.39
1-3 years	5.75% - 11.25%	3,627.95	8.00% - 11.50%	3,118.88
Less than 1 year	5.75% - 11.50%	1,804.06	8.00% -11.50%	2,811.68
Floating:		**19,686.07**		**16,144.06**
More than 5 years	8.49% - 9.30%	1,252.53	7.70% - 9.75%	1,602.85
3-5 years	8.49% - 10.60%	2,948.34	7.70% -9.75%	1,985.13
1-3 years	8.39% - 11.10%	7,810.29	7.70% -11.00%	5,852.14
Less than 1 year	8.35% - 11.10%	7,674.91	7.70% -11.00%	6,703.94
Term loans from NHB:				
Fixed:		**4,791.48**		**3,085.44**
More than 5 years	2.80% - 8.50%	1,435.70	2.80% -7.90%	783.14
3-5 years	2.80% - 8.50%	1,227.19	2.80% -7.90%	723.31
1-3 years	2.80% - 9.00%	1,415.93	2.80% - 8.40%	1,092.71
Less than 1 year	2.80% - 9.00%	712.66	2.80% - 8.40%	486.28
Term loans from others:**				
Fixed:		**1,250.94**		**1,232.55**
3 - 5 Years		-	8.44% -9.20%	1,232.55
1 - 3 Years	9.20%	416.89		-
Less than 1 year	8.62%	834.05		-
Total		**31,701.13**		**27,179.00**

* The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 20.2 - Terms of repayment of Other loans

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
Floating:				
Less than 1 year - CC/ ODFD ***	6.7% - 9.75%	2,203.15	6.00% - 9.75%	620.90
Securitisation:		**280.45**		**743.94**
Fixed:		**135.43**		**564.26**
Less than 1 year	8.42%	135.43	7.72%	564.26
Floating:		**145.01**		**179.68**
More than 5 years	8.1% - 9.35%	145.01	7.30% - 8.05%	143.05
3-5 years			7.30% - 8.05%	15.22
1-3 years			7.30% - 8.05%	14.56
Less than 1 year			7.30% - 8.05%	6.85
Total		**2,483.60**		**1,364.84**

***The rate of interest for the above loans is linked to base rate of Bank's plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 21. Unsecured/Subordinated Liabilities

I. Unsecured, Unsubordinated Non Convertible Debentures (₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(i) Unsecured Non Convertible Debentures - Other than Sub Debt	107.50	140.00
Less: Unamortised Debenture Issue Expenses	(19.81)	(0.99)
(ii) Interest Accrued but not due	0.41	0.81
Total (A)	**88.10**	**139.82**
(B)		
Unsubordinated liabilities in India	88.10	139.82
Unsubordinated liabilities outside India	-	-
Total (B)	**88.10**	**139.82**

II. Unsecured, Subordinated Non Convertible Debentures (₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(i) Non Convertible Debentures	3,167.91	2,858.98
Less : Unamortised debenture issue expenses	(45.19)	(53.30)
(ii) Interest accrued but not due	334.84	256.92
Total (A)	**3,457.56**	**3,062.60**
(B)		
Subordinated liabilities in India	3,109.94	2,715.29
Subordinated liabilities outside India	347.62	347.31
Total (B)	**3,457.56**	**3,062.60**

Note 21.1 - Terms of repayment

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
Non Convertible Debenture (Unsecured)				
Fixed:		**3,025.18**		**2,748.53**
More than 5 years	9.20% - 11.25%	757.00	9.35% - 11.25%	2,226.92
3- 5 years	8.70% - 11.25%	2,034.75	8.80% - 9.05%	185.00
1-3 years	10.00% - 10.48%	75.93	9.05% - 11.40%	179.11
Less than 1 years	9.05% - 11.40%	157.50	8.93% - 12.10%	157.50
Zero Coupon		**250.23**		**250.45**
More than 5 years		-	9.35% - 10.03%	244.67
3- 5 years	9.35% - 10.03%	244.45		-
1-3 years	10.50%	5.78	10.50%	5.78
Total		**3,275.41**		**2,998.98**

Notes:

(a) Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024), ₹ 15.45 Crore (from August 07, 2024), ₹ 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 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024), ₹ 15.45 Crore (from August 07, 2024), ₹ 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))

(b) Unsecured Non convertible Debentures - Sub Debt includes debentures amounting to Rs.11 Cr (P.Y. Rs.11 Cr) in respect of which the company was having a call option which got matured in July' 23.

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Note 21.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
9.05% Unsecured Redeemable Non Convertible Debentures (MLD - Sub Debt). Date of Maturity 18/04/2024	9.05%	11.00	6.68
10.15% Unsecured Redeemable Non Convertible Debentures (MLD - Sub Debt). Date of Maturity 19/04/2024	10.15%	67.15	67.15
10.24% Unsecured Redeemable Non Convertible Debentures (MLD - Sub Debt). Date of Maturity 19/04/2024	10.24%	21.85	21.85
11.40% Unsecured Redeemable Non Convertible Debentures. Date of Maturity 19/12/2024	11.40%	37.50	50.00
10.75% Unsecured Redeemable Non Convertible Debentures. Date of Maturity 23/02/2025	10.75%	20.00	40.00
10.00% Unsecured Redeemable Non Convertible Debentures. Tranche II. Series V. Date of Maturity 06/06/2025	10.00%	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	10.50%	5.78	5.78
10.48% Unsecured Redeemable Non Convertible Debentures. Date of Maturity 28/02/2027	10.48%	50.00	-
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	75.00	75.00
8.70% Unsecured Redeemable Non-Convertible Subordinated Debentures – Series U03. Date of Maturity 19/11/2027	8.70%	100.00	100.00
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
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series I . Date of Maturity 24/06/2028	10.00%	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series II . Date of Maturity 24/06/2028	9.60%	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture. Series III . Date of Maturity 24/06/2028	10.03%	68.15	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	325.00	325.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	30.00	30.00
11.25% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity 19/07/2028	11.25%	100.00	100.00
11.25% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity 19/07/2028	11.25%	50.00	50.00
Zero Coupon G-Sec Linked Unsecured Rated Listed Redeemable Non-Convertible Debentures. Series Ua3. Date Of Maturity 11/08/2028	9.40%	126.30	126.30
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	50.00	50.00
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
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Date of Maturity 07/02/2029	10.00%	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Date of Maturity 07/02/2029	10.50%	15.45	15.45
11.25% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity 02/04/2029	11.25%	25.00	25.00
10.77% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity 07/02/2030	10.77%	97.00	-
11.00% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity 18/05/2030	11.00%	150.00	-
11.00% Unsecured Redeemable Non Convertible Debentures (Sub Debt). Date of Maturity 13/06/2030	11.00%	100.00	-
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture Series D16 Option B.Date of Maturity 24/03/2032	9.35%	50.00	50.00
9.65% Unsecured Rated Listed Subordinate Tier II Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032	9.65%	235.00	236.70
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032	9.45%	65.00	65.69
9.20% UNSECURED RATED LISTED REDEEMABLE SUBORDINATE TIER 2 NON CONVERTIBLE SERIS D24 DATE OF MATURITY 08/05/2033	9.20%	35.00	-
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date Of Maturity 14/04/2023	8.93%	-	50.00
12.10% Unsecured Redeemable Non Convertible Debentures. Series 1. Date of Maturity 24/05/2023	12.10%	-	10.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	-	15.00
10.50% Unsecured Redeemable Non Convertible Debentures. Date of Maturity 19/12/2023	10.50%	-	50.00
Total		**3,275.41**	**2,998.98**

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Note 22. Other financial liabilities

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Temporary overdrawn bank balances	952.05	787.68
Payable on account of assignment/securitisation	1,496.80	1,037.22
Payable towards NCD	1.55	2.26
Unclaimed dividend and redemption proceeds of NCDs	4.93	5.13
Other payables (auction proceeds, retention payable, etc.) (refer note 22.1 and 22.2)	164.53	194.22
Total	2,619.86	2,026.51

Note 22.1: During the year, amount of ₹ 0.95 crores (P.Y ₹ 0.35 crores) was transferred to 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.

Note 22.2: 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 23: Provisions

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	23.02	50.36
Provision for leave encashment	33.44	24.55
Provision for gratuity (refer note 33.2)	25.67	9.64
Expected loan loss provision on loans sanctioned but undrawn	1.48	0.22
Total	83.61	84.77

Note 24. Other Non-Financial Liabilities

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Income received in advance	11.50	0.04
Advances from customers	136.15	316.04
Others	36.55	17.78
Statutory remittances	57.25	51.99
Total	241.45	385.85

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Note 25: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
2,355,250,000 Equity Shares (P.Y 2,355,250,000) of ₹ 2 each	471.05	471.05
500,000,000 Preference Shares (P.Y 500,000,000) of ₹ 10 each	500.00	500.00
Total	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital		
38,15,48,435 Equity Shares (P.Y 38,04,30,389) of ₹ 2 each fully paid with voting rights	76.31	76.09
Total	**76.31**	**76.09**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares				
At the beginning of the year	38,04,30,389	76.09	37,95,98,711	75.92
Add: Shares issued during the year	11,18,046	0.22	8,31,678	0.17
Outstanding at the end of the year	**38,15,48,435**	**76.31**	**38,04,30,389**	**76.09**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2024, equity shareholders were paid an interim dividend of ₹ 4.00/ (P.Y ₹ 4.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	5,76,41,445	15.11%	8,46,41,445	22.25%
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	4,77,19,154	12.54%
Smallcap World Fund, Inc	2,70,53,256	7.09%	2,82,78,861	7.43%
Parajia Bharat Himatlal	1,77,20,000	4.64%	1,97,20,000	5.18%

(v) Details of Shareholding of Promoters

As at March 31, 2024

Promoter name	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	-0.03%
Madhu N Jain	1,20,75,000	3.16%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.88%	-0.01%
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.62%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.36%	0.01%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.78%**	

* The change in percentage is due to dilution of Share Capital

As at March 31, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	-0.04%
Madhu N Jain	1,20,75,000	3.17%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)**	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital

**As on March 31, 2023, trustee(s) of Nirmal Madhu Family Private Trust were changed to Mansukhlal Jain and Pritesh Ashwin Mehta (from the earlier trustee(s) as on March 31, 2022 which was Harshita Jain and Mansukhlal Jain).

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

(viii) Pursuant to the Board of Directors approval dated March 13, 2024, for issue of equity shares up to by way of rights issue ("Rights Issue") for an amount not exceeding ₹ 1,500.00 crores, the parent Company had filed Letter of Offer on April 17, 2024. The issue opened for subscription on April 30, 2024, and closed on May 14, 2024. The SIC Committee on May 17, 2024, approved the allotment of 4,23,94,270 fully paid-up equity shares at a price of ₹ 300.00/- per equity share (including premium of ₹ 298.00/- per equity share) aggregating to ₹ 1,271.83 crores to the eligible shareholders and the same has been allotted on May 17, 2024.

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Note 25.1: Other Equity

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Share application money	0.49	-
Capital Reserve		
Opening Balance	85.49	83.89
Changes in accounting policy/prior period errors	-	1.60
Closing balance	**85.49**	**85.49**
Securities Premium Reserve		
Opening Balance	1,427.32	1,845.85
Add: Share issue expenses	-	(24.13)
Add/(Less): Change in minority	-	(689.64)
Add: Addition during the year	19.20	2,289.17
Add : Transfer to reserves	4.39	6.07
Closing balance	**1,450.91**	**3,427.32**
General Reserve		
Opening Balance	624.95	653.22
Add/(Less): Change in minority	-	(29.36)
Add/(Less): Transfer to/ (from) reserves	(0.45)	1.09
Closing Balance	**624.50**	**624.95**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening Balance	1,032.11	845.60
Add/(Less): Transfer to/ (from) reserves	217.19	186.51
Closing Balance	**1,249.30**	**1,032.11**
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening Balance	468.68	402.97
Add/(Less): Change in minority	-	(92.39)
Add/(Less): Transfer to/ (from) reserves	205.40	158.10
Closing Balance	**674.08**	**468.68**
Capital Redemption Reserve	**230.11**	**230.11**
Debenture Redemption Reserve	**12.80**	**12.80**
Retained Earnings		
Opening Balance	3,026.10	2,332.71
Changes in accounting policy/prior period errors	-	(1.60)
Restated balance at the beginning of the reporting period	**3,026.10**	**2,331.11**
Add: Profit for the year	1,763.54	1,500.30
Less: Interim dividend	(182.24)	(173.63)
Add: Change in minority	(0.22)	(287.07)
Add/(Less): Transfer to/ (from) reserves	(422.59)	(344.61)
Closing Balance	**4,184.59**	**3,026.10**
Share Options Outstanding Account		
Opening Balance	9.65	14.19
Add: Addition during the year	59.71	2.62
Add/(Less): Transfer to/ (from) reserves	(3.94)	(7.16)
Closing Balance	**65.42**	**9.65**
Effective portion of Cash Flow Hedges		
Opening Balance	(4.63)	(39.39)
Add: Other comprehensive income/ (loss)	(9.71)	34.76
Closing Balance	**(14.34)**	**(4.63)**
Fair value of loans carried at FVTOCI		
Opening Balance	9.09	9.65
Add: Other comprehensive income/ (loss)	(1.27)	(0.56)
Closing Balance	**7.82**	**9.09**
Remeasurements of defined benefit		
Opening Balance	(5.70)	(3.69)
Add: Other comprehensive income / (loss)	(4.79)	(2.01)
Closing Balance	**(10.49)**	**(5.70)**
Total	**10,560.68**	**8,915.97**

Non-Controlling Interest

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,210.08	5.90
Profit for the year	210.68	107.25
Other comprehensive income	(1.53)	(1.52)
Change in minority	0.22	1,098.46
Closing Balance	**1,419.45**	**1,210.08**

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Note 26.1 Interest income

(₹ in crores)

Particulars	FY 2023-24				FY 2022-23			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	8,749.96	23.67	824.07	9,597.70	6,312.47	-	795.64	7,108.11
Interest on investments	34.58	38.39	-	72.97	28.02	45.98	-	74.00
Interest on deposits with banks*	155.35	-	-	155.35	167.44		-	167.44
Interest on inter corporate deposit	12.61	-	-	12.61	16.41	-	-	16.41
Total	8,952.50	62.06	824.07	9,838.63	6,524.34	45.98	795.64	7,365.96

*Includes interest income on security deposits

Note 26.2 Dividend Income

The Group received dividend income amounting to ₹ 0.06 crore (P.Y ₹ 0.00 crore).

Note 27. Fees and Commission Income

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Administration Fees & Other charges	248.15	180.19
Insurance Commission	162.59	48.76
Total	410.74	228.95

Note 28. Net gain/(loss) on fair value changes

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	(159.59)	160.97
- Others	(21.29)	-
Fair value changes		
- Realised	73.38	82.67
- Unrealised	(254.26)	78.30
Total net gain/(loss) on fair value changes	(180.88)	160.97

Note 29. Other Income

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Interest on income tax refund	0.79	25.53
Profit on sale of fixed assets	18.13	3.07
Marketing, advertisement and support	221.16	148.74
Miscellaneous income	0.96	0.27
Total	241.04	177.61

Note 30. Finance Cost

(₹ in crores)

Particulars	On Financial liabilities measured	
	FY 2023-24	FY 2022-23
Interest on debt securities (refer note 30.1)	644.45	629.27
Interest on borrowings (other than debt securities) (refer note 30.1)	2,662.38	2,144.83
Interest on subordinated liabilities	325.33	273.86
Discount on Commercial Paper	13.16	2.72
Interest on inter corporate deposit	28.61	1.07
Interest expense on lease - Ind AS 116	39.35	34.62
Other borrowing cost (refer note 30.1)	157.88	124.66
Interest Expense on other borrowings	11.75	10.97
Total	3,882.91	3,222.02

Note 30.1: Includes foreign currency expenditure on accrual basis amounting to ₹ 401.72 crore (P.Y ₹ 427.48 crore)

Note 31. Net (gain)/ loss on derecognition of financial instruments under

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
(A) Net (gain) on derecognition of financial instruments under amortised cost category		
- Interest strip on assignment of loans	136.79	(513.81)

Note 32. Impairment on Financial Instruments

(₹ in crores)

Particulars	FY 2023-24			FY 2022-23		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(14.80)	13.10	(1.70)	(71.48)	(14.46)	(85.94)
Bad debts written off (net)	911.13	-	911.13	934.98		934.98
Other financial assets	1.86	-	1.86	17.09	-	17.09
Total	898.19	13.10	911.29	880.59	(14.46)	866.13

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Note 31. Employee benefit expenses

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Salaries	1,444.17	1,130.27
Contribution to provident and other funds (refer note 31.1)	88.52	74.19
Leave encashment	19.50	14.22
Gratuity (refer note 31.2)	9.91	8.08
Staff welfare expenses	63.13	28.36
Share based payments	59.62	14.38
Total	**1,684.85**	**1,329.50**

31.1 Defined contribution plans

The Group has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Contribution to Provident fund	52.04	40.96
Contribution to Employee State Insurance Corporation	12.28	10.04
Contribution to Labour welfare fund	0.25	0.20
Company contribution to employee pension scheme	22.99	22.32
Contribution to NPS	0.96	0.67
Total	**88.52**	**74.19**

31.2 Gratuity disclosure statement

Particulars	FY 2023-24			FY 2022-23		
	Finance	HFC	Samasta	Finance	HFC	Samasta
Type of Benefit	Gratuity			Gratuity		
Country	India			India		
Reporting Currency	₹			₹		
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)			Indian Accounting Standard 19 (Ind AS 19)		
Funding Status	Funded			Funded		
Starting Period	01-Apr-23			01-Apr-22		
Date of Reporting	31-Mar-24			31-Mar-23		
Period of Reporting	12 Months			12 Months		

Assumptions	FY 2023-24			FY 2022-23		
Expected Return on Plan Assets	7.16% - 7.20%			7.29% - 7.46%		
Rate of Discounting	7.16% - 7.20%			7.29% - 7.46%		
Rate of Salary Increase	6.00% - 9.00%			6.00% - 9.00%		
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	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: 35%p.a For service 5 years and above: 10% p.a	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	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: 35%p.a For service 5 years and above: 10% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Ultimate)			Indian Assured Lives Mortality 2012-14 (Ultimate)		
Mortality Rate After Employment	N.A.			N.A.		

Table Showing Change in the Present Value of Projected Benefit Obligation

Particulars	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	**40.82**	**32.82**
Interest Cost	3.03	2.20
Current Service Cost	9.21	7.87
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.08	0.14
(Liability Transferred Out/ Divestments)	(0.04)	(0.17)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(6.63)	(4.05)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.61	(3.69)
Actuarial (Gains)/Losses on Obligations - Due to Experience	5.67	5.70
Present Value of Benefit Obligation at the End of the Year	**53.75**	**40.82**

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Table Showing Change in the Fair Value of Plan Assets	FY 2023-24	FY 2022-23
Fair Value of Plan Assets at the Beginning of the Year	31.17	29.20
Interest Income	2.32	2.31
Contributions by the Employer	3.49	4.69
Expected Contributions by the Employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(8.63)	(4.05)
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes in Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	0.73	(0.68)
Fair Value of Plan Assets at the End of the Year	**28.08**	**31.17**

Amount Recognized in the Balance Sheet	FY 2023-24	FY 2022-23
(Present Value of Benefit Obligation at the end of the Year)	**(53.75)**	**(40.82)**
Fair Value of Plan Assets at the end of the Year	28.08	31.17
Funded Status (Surplus/ (Deficit))	(25.67)	(9.64)
Net (Liability)/Asset Recognized in the Balance Sheet	(25.67)	(9.64)
Liabilities recognised in the Balance Sheet under "Provisions"	(25.67)	(9.64)

Net Interest Cost for Current Year	FY 2023-24	FY 2022-23
Present Value of Benefit Obligation at the Beginning of the Year	40.82	32.82
(Fair Value of Plan Assets at the Beginning of the Year)	(31.17)	(29.20)
Net Liability/(Asset) at the Beginning	**9.65**	**3.63**
Interest Cost	3.03	2.20
(Interest Income)	(2.32)	(2.01)
Net Interest Cost for Current Year	**0.71**	**0.19**

Expenses Recognized in the Statement of Profit or Loss for Current Year	FY 2023-24	FY 2022-23
Current Service Cost	9.21	7.87
Net Interest Cost	0.70	0.19
Past Service Cost	-	-
Expenses Recognized	**9.91**	**8.06**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year	FY 2023-24	FY 2022-23
Actuarial (Gains)/Losses on Obligation For the Year	7.29	2.02
Return on Plan Assets, Excluding Interest Income	(0.72)	0.68
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Year Recognized in OCI	**6.57**	**2.70**

Balance Sheet Reconciliation	FY 2023-24	FY 2022-23
Opening Net Liability	9.64	3.63
Expenses Recognized in Statement of Profit or Loss	9.91	8.06
Expenses Recognized in OCI	6.57	2.69
Net Liability/(Asset) Transfer In	0.08	0.12
Net (Liability)/Asset Transfer Out	(0.04)	(0.17)
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(0.49)	(4.69)
Net Liability/(Asset) Recognized in the Balance Sheet	**25.67**	**9.64**

Category of Assets	FY 2023-24	FY 2022-23
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	0.00	0.00
Insurance fund	28.08	31.17
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**28.08**	**31.17**

Expenses recognised in the Statement of Profit or Loss for next year	FY 2023-24	FY 2022-23
Current service cost	12.24	9.21
Net interest cost	1.84	0.71
(Expected contributions by the employees)	-	-
Expenses recognised	**14.08**	**9.91**

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Maturity Analysis of the Benefit Payments: From the Fund	FY 2023-24	FY 2022-23
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	5.07	3.92
2nd Following Year	1.66	1.31
3rd Following Year	1.84	1.89
4th Following Year	2.31	1.51
5th Following Year	2.21	1.87
Sum of Years 6 To 10	12.77	9.51
Sum of Years 11 and above	149.57	119.09

Sensitivity Analysis	FY 2023-24	FY 2022-23
Projected Benefit Obligation on Current Assumptions	53.74	40.81
Delta Effect of +1% Change in Rate of Discounting	(6.68)	(5.05)
Delta Effect of -1% Change in Rate of Discounting	7.36	5.56
Delta Effect of +1% Change in Rate of Salary Increase	7.27	5.38
Delta Effect of -1% Change in Rate of Salary Increase	(6.15)	(4.56)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.03)	0.15
Delta Effect of -1% Change in Rate of Employee Turnover	(0.03)	(0.22)

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.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

Expected Rate of Return taken same as discount rate as described in Indian Accounting Standard 19.

Expected Contribution in the Next Year is the amount as expected by Entity to be contributed to the Plan Assets over the next year.

Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. During the year, there were no plan amendments, curtailments and settlements.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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

A separate trust fund is created to manage the Gratuity plan.

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Note 34. Depreciation, amortisation and impairment

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Depreciation on property, plant and equipment	75.02	65.84
Depreciation on right to use assets	103.14	84.35
Depreciation on investment property	0.13	0.36
Amortisation on other intangible assets	2.52	2.04
Total	**180.82**	**152.59**

Note 35. Other expenses

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses (refer note 35.1)	172.95	75.74
Direct operating expenses	74.30	102.16
Bank charges	27.79	23.35
Commission to non whole-time directors	0.49	0.66
Communication costs	14.99	14.73
Electricity	24.99	22.75
Exchange and statutory charges	4.41	3.83
Legal & professional fees (refer note 35.1)	168.65	143.86
Directors sitting fees	2.64	1.48
Office expenses	21.56	24.05
Postage & courier	8.04	7.63
Printing & stationery	13.30	14.62
Rates & taxes	5.03	2.18
Rent	45.35	31.04
Repairs & maintenance		
- Computer	2.30	2.44
- Others (refer note 35.1)	14.96	15.44
Remuneration to auditors		
- Audit fees	2.25	1.26
- Certification / other services (refer note 35.2)	0.60	0.63
- Out of pocket expenses	0.27	0.14
Software charges (refer note 35.1)	82.97	46.39
Travelling & conveyance (refer note 35.1)	87.76	71.51
Corporate social responsibility expenses (refer note 44)	31.17	21.80
Miscellaneous expenses (refer note 35.1)	20.49	15.09
Insurance premium	14.03	14.46
Security expenses	99.69	106.34
Loss on sale of fixed assets (net)	0.03	0.94
Total	**941.02**	**764.54**

Note 35.1: Includes below payments done in foreign currency

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses	6.89	0.19
Legal & professional fees	0.12	0.26
Repairs & maintenance- Others	-	0.00
Software charges	1.61	0.14
Travelling & conveyance	0.16	0.40
Miscellaneous expenses	0.06	0.05

Note 35.2: During the year the Group has paid ₹ 0.27 crore (P.Y ₹ 0.25 crore) to the auditors towards certification required under its public issue of Non Convertible Debentures, the same has been amortised over the tenure of the borrowings.

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Note 36. Income Taxes

(₹ in crores)

Amounts recognised in statement of profit or loss	FY 2023-24	FY 2022-23
Current tax expense		
Current year	610.57	362.70
Changes in estimates related to prior years	(2.40)	(2.41)
Deferred tax expense		
Origination and reversal of temporary differences	(10.48)	144.68
Total	597.69	504.97

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2023-24		
	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(6.58)	1.66	(4.92)
Cash flow hedge (net)	(14.96)	3.77	(11.19)
Fair value of loans carried at FVTOCI	(1.59)	0.40	(1.19)
Total	**(23.13)**	**5.83**	**(17.30)**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2022-23		
	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(2.69)	0.68	(2.01)
Cash flow hedge (net)	46.45	(11.69)	34.76
Fair value of loans carried at FVTOCI	(0.75)	0.19	(0.56)
Total	**43.01**	**(10.82)**	**32.19**

(₹ in crores)

Reconciliation of income tax expense of the year to accounting year	FY 2023-24	FY 2022-23
Profit before tax	**2,571.91**	**2,112.52**
Tax using the Group's domestic tax rate	680.50	555.38
Tax effect of:		-
Non-deductible expenses	8.78	16.13
Tax-exempt income - others (includes deduction under section 80JJAA)	(44.73)	(32.08)
Tax-exempt income- dividend	(33.23)	(22.35)
Income taxed at different rates	(1.32)	(0.82)
Others	(12.05)	(9.01)
Adjustments for current tax for prior periods	(2.40)	(2.41)
Differential tax rate in subsidiary	0.22	0.70
Past-year losses for which no deferred tax asset is recognised	-	(1.34)
Recognition of previously unrecognised deductible temporary differences	1.92	0.77
Total income tax expense	**597.69**	**504.97**

Note 37. Earnings Per Share

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 "Earnings per share".

Particulars	FY 2023-24	FY 2022-23
Face value of equity shares in ₹ fully paid up	2.00	2.00
BASIC		
Profit after tax as per statement of Profit and Loss (₹ in crore)	1,763.54	1,500.30
Profit after tax attributable to equity share holders (₹ in crore) (A)	1,763.54	1,500.30
Weighted average number of equity shares outstanding (B)	38,10,07,838	37,98,80,425
Basic EPS (In ₹) (A)/(B)	**46.29**	**39.49**
DILUTED		
Profit after tax attributable to equity share holders (₹ in crores) for calculating Diluted EPS (C)	1,763.54	1,500.30
Weighted average number of equity shares for computation of basic EPS	38,10,07,838	37,98,80,425
Add: Potential equity shares on account conversion of Employees Stock Options	48,24,533	30,15,015
Weighted average number of equity shares for computation of diluted EPS	38,58,32,371	38,28,95,439
Diluted EPS (In ₹)	**45.71**	**39.18**

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Note 38. Risk Management

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

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. 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.
The Group has developed the necessary competency to identify early stress signals and has also 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.

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 Group 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. 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.

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 group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.
Independent risk and policy team constitutes second line 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 and 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.

Risk Management Practices

The Group has developed the necessary competency to identify early stress signals and has also 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 has initiated a detailed 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'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.

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 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.

38A.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 quality analysis

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

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(₹ in crores)

Particulars	As at March 31, 2024				
	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 using simplified approach	Total
Cash and cash equivalents	-	-	-	2,469.87	2,469.87
Bank Balance other than above	-	-	-	1,775.85	1,775.85
Receivables					
(i) Trade Receivables	-	0.20	-	108.05	108.25
(ii) Other Receivables	-	-	-	29.65	29.65
Loans *	43,583.44	2,557.69	1,179.36	-	47,320.49
Investments	-	-	-	380.32	380.32
Other Financial assets	-	-	-	1,458.40	1,458.40

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ 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 using simplified approach	Total
Cash and cash equivalents	-	-	-	3,632.13	3,632.13
Bank Balance other than above	-	-	-	2,208.36	2,208.36
Receivables					
(i) Trade Receivables	-	0.10	8.11	120.52	128.73
(ii) Other Receivables	-	-	-	15.47	15.47
Loans *	31,053.32	2,061.96	736.77	-	33,852.05
Investments	-	-	-	1,051.40	1,051.40
Other Financial assets	-	-	-	1,653.32	1,653.32

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Financial Assets measured using simplified approach:

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, other receivables 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.

38A.2. Collateral held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security

38A.3. Loss allowance and Exposure at default

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Apr-2023	**716.03**	**65.55**	**138.89**	**10.23**	**304.83**	**-**	**1,159.75**	**75.78**
New loans disbursed during the year	272.16	28.71	35.57	10.78	209.13	-	516.86	39.49
Loans closed/written off during the year	(324.52)	(42.24)	(42.48)	(4.02)	(229.18)	-	(596.18)	(46.26)
Movement in provision without change in asset staging	(252.91)	(10.37)	38.05	14.14	58.69	-	(156.17)	3.77
Movement in provision due to change in asset staging	3.34	(0.19)	(4.42)	1.15	236.87	-	235.79	0.96
Closing ECL Mar-2024	**414.10**	**41.46**	**165.61**	**32.28**	**580.34**	**-**	**1,160.05**	**73.74**

The Group has a management overlay of ₹ 116.38 crores included in total ECL provision.

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(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Apr-2022	642.46	61.84	196.20	11.38	413.79	-	1,252.44	73.22
New loans disbursed during the year	376.19	25.55	15.55	2.30	87.66	-	479.40	27.85
Loans closed/written off during the year	(213.75)	(33.06)	(65.91)	(4.77)	(329.32)	-	(608.98)	(37.83)
Movement in provision without change in asset staging	(34.07)	14.03	(51.78)	(1.93)	54.89	-	(30.96)	12.10
Movement in provision due to change in asset staging	(54.80)	(2.81)	44.83	3.25	77.82	-	67.85	0.44
Closing ECL Mar-2023	716.03	65.55	138.89	10.23	304.83	-	1,159.75	75.78

The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) by class of financial instrument.

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Apr-2023	37,407.66	2,756.91	1,971.83	118.10	736.77	-	40,116.26	2,875.01
New loans disbursed during the year	32,106.23	3,139.16	835.46	122.17	431.85	-	33,373.54	3,261.33
Loans closed/written off during the year	(13,386.29)	(757.07)	(924.29)	(53.57)	(497.15)	-	(14,807.73)	(810.64)
Movement in EAD without change in asset staging	(7,206.36)	(695.40)	(80.85)	0.54	(48.85)	-	(7,336.06)	(694.86)
Movement in EAD due to change in asset staging	(1,607.19)	(66.34)	545.21	60.45	556.74	-	(505.24)	(5.89)
Closing EAD Mar-2024	47,314.05	4,377.26	2,347.36	247.69	1,179.36	-	50,840.77	4,624.95

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Apr-2022	31,177.42	3,046.16	2,039.70	137.24	872.11	-	34,089.23	3,183.40
New loans disbursed during the year	26,097.34	1,667.06	649.39	39.68	180.38	-	26,927.11	1,706.74
Loans closed/written off during the year	(12,748.07)	(691.29)	(1,003.28)	(50.65)	(677.17)	-	(14,428.52)	(741.94)
Movement in EAD without change in asset staging	(6,963.42)	(1,259.51)	329.74	(9.09)	484.41	-	(6,149.27)	(1,268.60)
Movement in EAD due to change in asset staging	(155.61)	(5.51)	(43.72)	0.92	(122.96)	-	(322.29)	(4.59)
Closing EAD Mar-2023	37,407.66	2,756.91	1,971.83	118.10	736.77	-	40,116.26	2,875.01

38A.4. Write off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 911.14 crore (P.Y ₹ 934.98 crore)

38A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when 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 Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in crores)

Particulars	FY 2023-2024	FY 2022-2023
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".

38A.6. Credit Risk Grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

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The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk

The high risk category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category. The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This 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.

Credit Grading details :

(₹ in crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2024	51,691.32	2,595.04	1,179.36	55,465.72
March 31, 2023	40,164.57	2,089.94	736.77	42,991.27

38A.7. Concentration 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 various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

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38B 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 marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate 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 (including financial guarantee) 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
Derivative financial instruments	33.53	6.17	-	-	27.36	-	-
Trade payables	216.68	216.68	-	-	-	-	-
Finance lease obligation (refer note 2)	595.37	40.04	34.87	65.37	195.08	117.57	142.44
Debt securities	9,030.34	1,531.90	380.13	850.29	2,425.87	1,903.46	1,938.69
Borrowings (other than debt securities) (refer note 1)	34,123.20	2,660.31	3,494.34	5,746.24	14,630.55	4,626.45	2,965.31
Subordinated liabilities	3,545.66	293.08	64.23	26.02	74.18	2,349.69	738.46
Other financial liabilities	2,619.86	2,608.11	1.61	-	10.14	-	-
Financial guarantee contracts	410.32	410.32	-	-	-	-	-
Total	**50,574.96**	**7,766.61**	**3,975.18**	**6,687.92**	**17,363.18**	**8,997.17**	**5,784.90**

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) 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
Derivative financial instruments	42.37	28.40	0.96	9.22	3.79	-	-
Trade payables	197.30	195.61	0.47	0.65	0.56	0.01	-
Finance lease obligation (refer note 2)	527.49	34.07	31.20	59.62	179.16	112.82	110.62
Debt securities	7,925.30	2,623.59	157.63	449.74	1,394.34	848.36	2,451.64
Borrowings (other than debt securities) (refer note 1)	28,476.27	3,045.37	2,813.52	4,664.40	11,824.89	3,636.58	2,491.51
Subordinated liabilities	3,202.42	113.46	65.99	59.69	242.06	180.92	2,540.30
Other financial liabilities	2,026.51	1,997.15	18.48	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**42,982.60**	**8,622.59**	**3,088.25**	**5,250.73**	**13,648.27**	**4,778.69**	**7,594.07**

Note 1: Borrowings includes cash credit facilities, has been slotted in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

Note 2: The amount represent undiscounted cash flows.

(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,743.03	1,301.04

(iii) Change in liabilities arising from financing activities as per IND AS 7 "Statement of cash flows":

(₹ in crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt Securities (including subordinated liabilities)	11,127.72	746.83	701.45	12,576.00
Borrowings (Other than debt securities)	28,476.27	5,446.28	200.65	34,123.20
Total Liabilities from Financial Activities	**39,603.99**	**6,193.11**	**902.10**	**46,699.20**

(₹ in crores)

Particulars	As at March 31, 2022	Cash flows	Others*	As at March 31, 2023
Debt Securities (including subordinated liabilities)	10,406.13	172.54	549.05	11,127.72
Borrowings (Other than debt securities)	25,319.37	3,071.45	85.45	28,476.27
Total Liabilities from Financial Activities	**35,725.50**	**3,243.99**	**634.50**	**39,603.99**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, and exchange differences.

38C 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 and Foreign exchange risk.

38C.1 Interest rate risk

(a) The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	22,168.03	17,059.64
Fixed rate borrowings	24,047.76	22,142.97
Total borrowings	**46,215.79**	**39,202.61**

The Group had the following variable rate borrowings outstanding and cross currency interest rate swap contracts outstanding: (₹ in crores)

	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.52%	22,034.23	47.68%	9.28%	16,944.64	43.22%
Non convertible debentures	9.00%	133.80	0.29%	8.25%	115.00	0.29%
Net exposure to cash flow interest rate risk		**22,168.03**			**17,059.64**	
Currency Interest Rate Swaps	7.74%	**1,523.99**	3.30%	8.97%	**1,394.53**	3.56%

An analysis by maturities is provided in note 38(B)(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.

The Group had the following variable rate loans outstanding: (₹ in crores)

	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
Floating rate loans	12.65%	23,485.10	45.00%	12.93%	18,215.21	44.02%

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	(82.94)	(63.83)	-	-
Interest rates – decrease by 50 basis points	82.94	63.83	-	-

Profit or loss is sensitive to higher/lower interest income from loans as a result of changes in interest rates (assuming other variable constant)

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	87.87	68.15	-	-
Interest rates – decrease by 50 basis points	(87.87)	(68.15)	-	-

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38C.2. 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).

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps (CCRIS) 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. However for the unhedged foreign currency exposure(s) there would be an impact on Group's profitability.

The Group's currency position is as under

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)	157.69	-	-	-	-	-
Foreign Currency Liabilities (in INR)	13.54	-	-	19.99	-	-
Net Gap as at March 31, 2024	144.15	-	-	(19.99)	-	-

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)	223.58	-	-	-	-	-
Foreign Currency Liabilities (in INR)	42.37	-	-	-	-	-
Net Gap as at March 31, 2023	181.21	-	-	-	-	-

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Currency sensitivity				
Increase by 5%	(15.41)	-	(143.79)	(182.45)
Decrease by 5%	15.41	-	143.79	182.45

The sensitivity on profit and loss is due to the timing difference of the maturity of the Cross currency interest rate swap. On the date of maturity of the Cross currency interest rate swap, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

38C.3. Price Risk

(a) Exposure

The Group's exposure to assets having price risk is as under

(₹ in crores)

Particulars	Equity Share	Mutual Funds /Alternate investment funds/ others	Bonds / Debt securities	Security Receipts	Total
Market Value as on March 31, 2024	24.18	482.50	369.31	3,182.99	4,058.98
Market Value as on March 31, 2023	0.05	2,284.73	346.52	879.70	3,511.00

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase by 5%	151.87	131.37	-	-
Decrease by 5%	(151.87)	(131.37)	-	-

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38D. 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 in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable

38E. 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.in order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in crores)

Particulars	As at March 31, 2024		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	2,469.87
Bank Balance other than (a) above	-	-	1,775.85
Derivative financial instruments	-	157.69	-
Receivables			
(i) Trade receivables	-	-	102.42
(ii) Other receivables	-	-	29.65
Loans	-	4,520.43	46,431.89
Investments	3,679.66	-	379.32
Other financial assets	-	-	1,412.57
Total financial assets	**3,679.65**	**4,678.12**	**52,601.57**
Financial liabilities			
Derivative financial instruments	-	33.53	-
Trade payables	-	-	216.68
Finance lease obligation	-	-	461.50
Debt securities	-	-	9,030.34
Borrowings (other than debt securities)	-	-	34,123.20
Subordinated liabilities	-	-	3,545.66
Other financial liabilities	-	-	2,619.86
Total financial liabilities	-	**33.53**	**49,997.24**

(₹ in crores)

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	3,632.13
Bank Balance other than (a) above	-	-	2,208.36
Derivative financial instruments	9.22	214.36	-
Receivables			
(i) Trade receivables	-	-	121.43
(ii) Other receivables	-	-	15.47
Loans	-	6,923.97	33,219.10
Investments	2,459.60	-	1,051.40
Other financial assets	-	-	1,615.56
Total financial assets	**2,468.82**	**7,138.33**	**41,863.45**
Financial liabilities			
Derivative financial instruments	9.22	33.15	-
Trade payables	-	-	197.29
Finance lease obligation	-	-	413.43
Debt securities	-	-	7,925.30
Borrowings (other than debt securities)	-	-	28,476.27
Subordinated liabilities	-	-	3,202.42
Other financial liabilities	-	-	2,026.51
Total financial liabilities	**9.22**	**33.15**	**42,241.22**

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38E. 1. Financial instruments measured at fair value – Fair value hierarchy

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.

38E.2. Valuation methodologies of financial instruments measured at fair value

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.
(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
(iii) Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
(v) Preference shares (unquoted) are classified as Level 2, based on the fair valuation conducted by an external independent valuer.
(vi) Government Securities are valued based on the closing price published by CCIL/ FIMMDA and are classified as level 2.
(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz. CRISIL and ICRA and are classified as level 2.
(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs.
(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
(x) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
(xi) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**	**Carrying Value**
As at March 31, 2024					
Financial assets					
Forward rate agreements and interest rate swaps	-	157.69	-	157.69	157.69
Call option included under Debt securities & Subordinated liabilities	-	-	-	-	-
Loans - classified under FVOCI	-	-	4,520.43	4,520.43	4,520.43
Investments	**379.28**	**95.62**	**3,204.76**	**3,679.66**	**3,679.66**
(i) Mutual Funds/Alternate Investment fund / Others	61.70	-	13.68	75.38	75.38
(ii) Security Receipts	-	-	3,191.08	3,191.08	3,191.08
(iii) Debt Securities	293.45	-	-	293.45	293.45
(iv) Government Securities	-	55.46	-	55.46	55.46
(v) Preference Shares	-	40.16	-	40.16	40.16
(vi) Equity shares	24.13	-	-	24.13	24.13
Total financial assets	**379.28**	**253.31**	**7,725.19**	**8,357.78**	**8,357.78**
Financial liabilities					
Forward rate agreements /CCIRS	-	35.18	-	35.18	35.18
Forward exchange contract	-	(1.65)	-	(1.65)	(1.65)
Call option included under Debt securities & Subordinated liabilities	-	-	-	-	-
Total financial liabilities	-	**33.53**	-	**33.53**	**33.53**

(₹ in crores)

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**	**Carrying Value**
As at March 31, 2023					
Financial assets					
Forward rate agreements and interest rate swaps	-	214.36	-	214.36	214.36
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Loans - classified under FVOCI	-	-	6,923.97	6,923.97	6,923.97
Investments	**404.01**	**43.21**	**2,012.38**	**2,459.60**	**2,459.60**
(i) Mutual Funds/Alternate Investment fund / Others	57.49	-	1,132.68	1,190.17	1,190.17
(ii) Security Receipts	-	-	879.70	879.70	879.70
(iii) Debt Securities	346.52	-	-	346.52	346.52
(iv) Government Securities	-	5.04	-	5.04	5.04
(v) Preference Shares	-	38.17	-	38.17	38.17
Total financial assets	**404.01**	**266.79**	**8,936.35**	**9,607.15**	**9,607.15**
Financial liabilities					
Forward rate agreements /CCIRS	-	33.15	-	33.15	33.15
Interest rate derivative	-	-	-	-	-
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Total financial liabilities	-	**42.37**	-	**42.37**	**42.37**

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38E.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.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

Loans, Debts, Borrowings and Subordinated Debts

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. Loans and advances are presented net of provisions for impairment.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2024			
Financial assets			
Cash and cash equivalents	2,469.87	2,469.87	
Bank Balance other than included above	1,775.86	1,775.86	
Receivables			
(i) Trade Receivables	102.42	102.42	
(ii) Other Receivables	29.65	29.65	
Loans	46,519.62	46,431.89	Level 3
Investment in debt securities	380.43	379.32	
Other Financial assets	1,412.57	1,412.57	
Total financial assets	**52,690.42**	**52,601.58**	
Financial Liabilities			
Trade Payables	216.58	216.58	
Finance lease obligation	461.50	461.50	
Debt Securities	8,804.87	9,030.34	Level 3
Borrowings (Other than debt securities)	34,123.20	34,123.20	Level 3
Subordinated Liabilities	3,557.71	3,545.66	Level 3
Other financial liabilities	2,619.86	2,619.86	
Total financial liabilities	**49,783.80**	**49,997.23**	

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Total fair value	Carrying Value	Valuation Hierarchy
As at March 31, 2023			
Financial assets			
Cash and cash equivalents	3,632.13	3,632.13	
Bank Balance other than included above	2,208.36	2,208.36	
Receivables			
(i) Trade Receivables	121.43	121.43	
(ii) Other Receivables	15.47	15.47	
Loans	33,036.99	33,219.10	Level 3
Investment in debt securities	1,051.40	1,051.40	
Other Financial assets	1,615.56	1,615.56	
Total financial assets	**41,681.35**	**41,863.45**	
Financial Liabilities			
Trade Payables	197.30	197.30	
Other payables	-	-	
Finance lease obligation	413.43	413.43	
Debt Securities *	7,551.37	7,925.30	Level 3
Borrowings (Other than Debt Securities)	28,476.27	28,476.27	Level 3
Subordinated Liabilities	3,161.48	3,202.42	Level 3
Other financial liabilities	2,026.51	2,026.51	
Total financial liabilities	**41,826.36**	**42,241.24**	

* For MTN Bond book value is been considered as fair value.

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38.E.4 Movements in Level 3 financial instruments measured at fair value :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts	Equity
Balances as at April 1, 2023	**6,923.96**	**1,132.69**	**879.70**	-
Issuances	9,110.96	31.74	2,128.60	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(11,514.50)	(1,001.38)	(41.38)	-
Total gain /losses recognised in profit and loss	-	(149.36)	224.16	-
Balances As at March 31, 2024	**4,520.42**	**13.69**	**3,191.08**	-
Unrealised gain /losses related to balances held at the end of financial year	-	(1.15)	-	-

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts	Equity
Balances as at April 1, 2022	5,662.46	1,099.22	**83.30**	-
Issuances	13,599.47	79.82	913.70	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(12,337.96)	(143.43)	(95.39)	-
Total gain /losses recognised in profit and loss	-	97.08	(21.91)	-
Balances As at March 31, 2023	**6,923.96**	**1,132.69**	**879.70**	-
Unrealised gain /losses related to balances held at the end of financial year	-	165.65	(21.91)	-

38 F. Transferred financial assets that are derecognised in their entirety

The Group 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 Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognised financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Financial assets derecognised during the year	14,338.07	14,645.44
Net loss / (gain) on derecognition of financial instruments under FVTOCI category	136.79	(513.81)

38 G. Transferred financial assets that are recognised in their entirety:

The Group 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 Group 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	280.45	743.94
Carrying amount of associated liabilities	280.73	743.94
Fair value of assets	280.43	743.81
Fair value of associated liabilities	280.73	743.94

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Note 39. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Contingent Liabilities:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claim against the Company not acknowledged as debt:		
In respect of Income tax demands (refer note a and b)	77.08	79.51
In respect of Service tax/ Gst demands (including interest accrued and refer note c)	70.26	65.84
In respect of Profession Tax demands (refer note d)	0.16	0.16
In respect of legal case/ penalties/others	15.73	1.17
In respect of Stamp Duty (refer note e)	16.66	16.66
Bank Guarantee:		
In respect of Bank guarantees given (refer note f)	410.32	584.94
Other money for which the company is contingently liable:		
In respect of Corporate guarantees given	23.34	23.34
Contingent liability in respect of credit enhancement for securitisation transaction	79.91	79.95

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is 76.32 crores (P.Y ₹ 68.89 crores).

(c) Amount paid under protest with respect to service tax and GST demands are ₹ 1.59 crores (P.Y ₹ 1.89 crores).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 crores (P.Y ₹ 0.05 crores).

(e) The Group had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Group has appealed against the same and paid ₹ 8.34 crores under protest towards its share of the liability and shown ₹ 16.66 crores as Contingent.The matter is pending before the court.

(f) Guarantee has been given on behalf of subsidiary.

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

Commitments not provided for:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments related to loans sanctioned but undrawn	3,689.95	2,139.07
Estimated amount of contracts remaining to be executed on capital and operating account	25.60	19.90
Commitments related to alternate investment funds	12.88	9.77

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Note 40. Employee Stock Option

40.1 Stock option schemes of the Parent Company (IIFL Finance Limited)

The Company has implemented various Employee Stock Option Schemes (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

The details of various Employee Stock Option Schemes are as under:

i. ESOP-2008

Particulars	As at March 2024	As at March 2023
Number of Option outstanding	40,80,321	9,36,947
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven/Five years from the date of grant	
Grant Date	06-May-2021, 20-Aug-2021, 22-Dec-2021, 26-Aug 2022, 15-Oct 2022, 04- Aug 2023, 05- Jan 2024	08-Mar-2016, 29-Apr-2017, 06-May-2021, 20-Aug-2021, 22-Dec-2021, 26- Aug 2022, 15-Oct 2022.
Grant Price (₹ Per Share)	₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350, ₹ 10, ₹625	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Granted during the year	15,00,000	10.00-625.00	97.86	-
Expired/forfeited during the year	1,31,402	10.00-341.65	146.95	-
Exercised during the year	1,25,224	218.71-341.65	278.16	-
Outstanding as on March 31, 2024	**40,80,321**	**10.00-625.00**	**130.21**	**6.07**
Exercisable as on March 31, 2024	**1,10,240**	**252.00-350.00**	**263.42**	**4.39**

b) (ii) Movement of options during year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	05-Jan-24	04-Aug-23	15-Oct-22	26-Aug-22
Stock price (₹)	641.65	575.50	350.00	341.65
Volatility	10.00%	52.22%	10.00%	10.00%
Risk-free Rate	7.00%	7.04%	7.37%	7.02%
Exercise price (₹)	625.00	10.00	350.00	341.65
Time to Maturity (Years)	5.00	4.00	5.00	5.00
Dividend yield	3.00%	1.43%	3.00%	3.00%
Weight Average Value (₹)	89.05	535.83	45.31	42.15

Particulars	22-Dec-21	20-Aug-21	06-May-21	29-Apr-17
Stock price (₹)	271.40	252.00	252.00	218.71
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.81%	5.77%	5.66%	6.56%
Exercise price (₹)	271.40	252.00	252.00	218.71
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	35.40	35.40	34.72	201.65

Particulars	08-Mar-16
Stock price (₹)	82.02
Volatility	10.00%
Risk-free Rate	7.47%
Exercise price (₹)	82.02
Time to Maturity (Years)	5.00
Dividend yield	3.00%
Weight Average Value (₹)	76.59

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

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Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

ii. ESOP-2020

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2024	As at March 2023
Number of Option outstanding	16,71,891	27,05,444
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019	08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	40,731	61.48-182.22	232.37	-
Exercised during the year	9,92,822	106.67- 182.22	221.16	-
Outstanding as on March 31, 2024	**16,71,891**	**106.67- 182.22**	**206.41**	**1.25**
Exercisable as on March 31, 2024	**11,31,891**	**106.67- 182.22**	**213.29**	**1.33**

(b) (ii) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.41	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	18-Jan-19	18-Jan-19	21-Nov-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

Particulars	02-May-18	08-Feb-17
Stock price (₹)	179.63	179.63
Volatility	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%
Exercise price (₹)	142.22	106.67
Time to Maturity (Years)	4.34	3.87
Dividend yield	1.00%	1.00%
Weight Average Value (₹)	106.30	110.78

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

40.2 Stock option schemes of the Subsidiary Companies:

a. IIFL Home Finance Limited

The Company 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.

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	4,511.38	N.A
Expected Volatility	50.00%	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 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 :

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 Weighted-average exercise prices of options:

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.

b. IIFL Samasta Finance Limited

The Company's Employee Stock Option Plan - 2023 ("ESOP Plan") provide for the grant of stock options to eligible employees. The ESOPs are administered through Direct route by the company. The company transfers share to the eligible employees upon exercise of the options by such employees.

The Company had an ESOP scheme called ESOP Plan 2023. The ESOP plan 2023 came into force on March 24, 2023.

During the financial year 2022-23, the Company has introduced a new stock option scheme namely "ESOS 2023" effective from March 24, 2023. The grant price shall be as decided by the Nomination and Remuneration Committee ("N&RC") of the Company. The number of options and terms could vary at the discretion of the N&RC.

The total number of Employee Stock Options to be granted, which shall not exceed 5% of the Paid up share Capital of the Company, as expanded from time to time, comprising 3,34,21,867 (Three Crores Thirty Four Lakhs Twenty One Thousand Eight Hundred and Sixty Seven) Options which shall be convertible into equal number of Shares.

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CHHAJED & DOSHI
MUMBAI
400 069.
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Sharp & Tannan Associates
Regd. No.
109[illegible]W
Chartered Accountants

The Company has established share option plans that entitle the employees of the Company to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options. The details are ESOP scheme are as follows.

Particulars	Grant	Number of Options	Vesting period	Vesting Conditions
ESOP Scheme 2023	Grant I	84,41,758	3 Years	20%, 40% and 40% vests every year subject to continuance of services
ESOP Scheme 2023	Grant II	8,17,662		
ESOP Scheme 2023	Grant III	60,37,500		

Exercise period for all the above schemes is 3 years from the date of grant of the options.

Measurement of fair values

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 are as follows:

Particulars	Financial Year 2023-24
Grant Date	21-Jul-23
	15-Jan-24
Option Price Model	Black Scholes Method
Exercise Price	23.38 - 26.74
Share Price on Grant Date	23.38 - 26.74
Expected Volatility	50%
Expected time to exercise shares	2 to 4 years
Risk-free rate of return	7.13% - 7.21%
Dividend Yield	0.50%
Fair Value of ESOP at Grant Date	7.54 - 12.21
Weighted Average Fair Value of ESOP at Grant Date	10.69
Method used to determine expected volatility	The expected volatility is based on similar listed companies in finance sector.

Table Showing options movement during year:

Particulars	FY 2023-24
Outstanding at the beginning of the year	84,41,758
Granted during the year	68,55,162
Forfeited during the year	15,44,173
Expired during the year	-
Exercised during the year	-
Outstanding at the end of the year	1,37,52,747
Exercisable at the end of the year	13,87,717

Table showing Weighted average exercise prices of options:

Particulars	FY 2023-24
Outstanding at the beginning of the year	20.96
Granted during the year	26.34
Forfeited during the year	21.11
Expired during the year	N.A.
Exercised during the year	N.A.
Outstanding at the end of the year	23.62
Exercisable at the end of the year	20.96

Table Showing Stock Options outstanding at the end of period

Particulars	31-Mar-24
Exercise Price (INR)	
Grant Date: 31-03-2023	20.96
Grant Date: 21-07-2023	23.38
Grant Date: 15-01-2024	26.74
Weighted average remaining contractual life (Years)	
Grant Date: 31-03-2023	4.20
Grant Date: 21-07-2023	4.51
Grant Date: 15-01-2024	5.00

No ESOP exercised during the year.

Table Showing movement of ESOP Outstanding Reserve:

Particulars	FY 2023-24
Opening ESOP Outstanding Reserve Balance	-
Expense Recognised/ (Reversed) during the year	3.11
Closing ESOP Outstanding Reserve Balance	3.11

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Note 41. Additional Dislcoure requirements

(i) Relationship with Struck off Companies

During the year, the Group has not entered into 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 as disclosed below:

(₹ in crores)

Name of the struck off Company	Balance outstanding as at		Relationship with Struck off Group	Name of IIFL group Company
	March 31, 2024	March 31, 2023		
Loans and Advances:				
Unicorn Hospitality Services Private Limited	0.01	0.01	None	IIFL Finance Limited
9 media Networks Private Limited	0.24	0.24	None	IIFL Finance Limited
Fedify Technologies Private Limited	0.07	0.07	None	IIFL Finance Limited
Niche Events And Promotions Private Limited	0.15	0.17	None	IIFL Finance Limited
Rainbow Infrastructure Private Limited	0.00	0.02	None	IIFL Finance Limited
Gopikrishna Engineers And Contractors Private Limited	0.05	0.05	None	IIFL Finance Limited
CP Hydro Projects India Private Limited	0.06	0.06	None	IIFL Finance Limited
Pushpa Clinic Private Limited	0.02	0.02	None	IIFL Finance Limited
Corporate Rooms Hospitality Private Limited	0.03	0.03	None	IIFL Finance Limited
Multitask Excel Hi Care (opc) Private Limited	0.07	0.07	None	IIFL Finance Limited
Apm Air Travels (India) Private Limited	0.04	0.04	None	IIFL Finance Limited
Tei Medias Private Limited	-	0.08	None	IIFL Finance Limited
Tourkraft Travel Services Private Limitedd	-	0.01	None	IIFL Finance Limited
Cross Links Hospitality Private Limited	-	0.20	None	IIFL Finance Limited
Dominion Expo Ventures Private Limited	-	0.09	None	IIFL Finance Limited
Devi Singha Advisory Private Limited	-	0.05	None	IIFL Finance Limited
Asp International Trading Company Private Limited	-	0.03	None	IIFL Finance Limited
Seven oaks engineering Private Limited	0.06	0.06	None	IIFL Finance Limited
Jasmin Infraproject Group Private Limited	0.47	0.49	None	IIFL Home Finance Limited
Creative Pulse Marketing Private Limited	-	0.12	None	IIFL Home Finance Limited
Beauty Channel Salon & Spa Private Limited	1.42	1.45	None	IIFL Home Finance Limited
Iconic Products India Private Limited	2.76	-	None	IIFL Home Finance Limited
Shares held by the Company:				
Vaishak Shares Limited	0.00	0.00	None	IIFL Finance Limited
Ethopps advisory services Private Limited	0.00	0.00	None	IIFL Finance Limited
Kothari intergroup Limited	0.00	0.00	None	IIFL Finance Limited
Unclaimed dividend:				
Vaishak shares Limited	0.00	0.00	None	IIFL Finance Limited
Ethopps advisory services Private Limited	0.00	0.00	None	IIFL Finance Limited
Vendor:				
Epicenter Technologies Pvt Ltd	0.00	-	None	IIFL HOME FINANCE LIMITED

*0.00 denotes amount less than ₹ fifty thousand

(ii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance with number of layers of companies

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Group.

(iv) Utilisation of Borrowed funds and share premium

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:-

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed income

The Group has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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(vi) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Group does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(b) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2024.

(ix) Wilful Defaulter

The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Group

Except the details as disclosed below all the title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

Title deeds of Immovable Property not held in name of the Group

(₹ in crores)

As at March 31, 2024

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 Group
Investment Property (Refer note 12)	Building	2.75	Borrower to whom loan has been given	No	January 10, 2020	Acquired in the SARFAESI Proceedings

(₹ in crores)

As at March 31, 2023

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 Group
Investment Property (Refer note 12)	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.

(xi) Disclosure on Loans and Advances

The Group 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 promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

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CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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Note 42. List of Related Parties

Nature of relationship	Name of party *
Key managerial personnel (KMP)	Mr.Kapish Jain (w.e.f. November 01, 2022)
	Mr.Rajesh Rajak (upto October 31, 2022)
	Mrs. Sneha Patwardhan (upto July 01, 2023)
	Ms Rupal Jain (w.e.f June 20, 2023 upto March 13, 2024)
	Ms Mauli Agarwal (w.e.f March 13, 2024)
	Directors:
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Nilesh Vikamsey (upto March 31, 2024)
	Mr. Vibhore Sharma (upto August 31, 2022)
	Mr. Vijay Kumar Chopra
	Mr. Chandran Ratnaswami
	Ms. Geeta Mathur
	Mr. Ramakrishnan Subramanian
	Mr. Arun Kumar Purwar^
	Mr. T. S. Ramakrishnan (w.e.f October 26, 2023)
	Mr. Bijou Kurien (w.e.f March 13, 2024)
	Mr. Nihar Niranjan Jambusaria (w.e.f March 13, 2024)
Close members of KMP	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian)
Other related parties	IIFL Securities Limited
	5paisa Capital Limited
	5paisa P2P Limited
	India Infoline Commodities Limited
	IIFL Facilities Services Limited
	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)
	360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	IIFL Management Services Limited
	Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	Open Financial Technologies Private Limited
	India Infoline Employee Trust Limited
	India Infoline Foundation

* The above list includes related parties with whom transactions have been carried out during the year.

^ Acting as Independent Director upto March 31, 2024, subsequently appointed as an Additional Non-executive Director (Non Independent) and Chairperson of the Company w.e.f April 01, 2024.

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

42.1 Significant transactions with related parties

(₹ in crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Interest income			
Spaisa Capital Limited	7.69	-	7.69
	(3.47)	-	(3.47)
IIFL Securities Limited	12.18	-	12.18
	(5.28)	-	(5.28)
Mr. Shankar Subramanian	-	0.02	0.02
	-	(0.04)	(0.04)
Interest expense			
IIFL Facilities Services Limited	-	-	-
	(0.00)	-	(0.00)
IIFL Management Services Limited	0.16	-	0.16
	(0.46)	-	(0.46)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	1.61	-	1.61
	(8.86)	-	(8.86)
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(4.37)	-	(4.37)
IIFL Securities Limited	0.57	-	0.57
	(2.24)	-	(2.24)
Donation paid			
India Infoline Foundation	22.22	-	22.22
	(17.22)	-	(17.22)
Arranger/ processing fees /brokerage on non convertible debenture/merchant banking fees			
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	1.78	-	1.78
	(6.77)	-	(6.77)
IIFL Securities Limited	0.84	-	0.84
	(7.46)	-	(7.46)
IIFL Management Services Limited	-	-	-
	(0.50)	-	(0.50)
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited)	-	-	-
	(0.07)	-	(0.07)
Spaisa Capital Limited	0.82	-	0.82
	-	-	-
Rent expenses			
IIFL Facilities Services Limited	6.57	-	6.57
	(3.82)	-	(3.82)
Referral fees income/Other charges Income			
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited)	57.83	-	57.83
	(10.85)	-	(10.85)
Mr. Shankar Subramanian	-	0.04	0.04
	-	(0.00)	(0.00)
Commission / brokerage expense			
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	-	-	-
	(0.09)	-	(0.09)
IIFL Securities Limited	9.52	-	9.52
	(1.48)	-	(1.48)
Equity dividend paid			
India Infoline Employee Trust	0.03	-	0.03
	(0.03)	-	(0.03)
ICD/loan taken			
IIFL Securities Limited	100.00	-	100.00
	-	-	-
ICD/loan returned			
IIFL Securities Limited	100.00	-	100.00
	-	-	-
ICD/loan given			
Spaisa Capital Limited	580.00	-	580.00
	(700.00)	-	(700.00)
IIFL Securities Limited	2,100.00	-	2,100.00
	(1,435.00)	-	(1,435.00)
ICD/loan received back			
Spaisa Capital Limited	580.00	-	580.00
	(700.00)	-	(700.00)
IIFL Securities Limited	2,100.00	-	2,100.00
	(1,435.00)	-	(1,435.00)
Mr. Shankar Subramanian	-	0.09	0.09
	-	(0.06)	(0.06)

(₹ in crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Allocation / reimbursement of expenses paid			
IIFL Securities Limited	14.23	-	14.23
	(12.73)	-	(12.73)
IIFL Management Services Limited	0.15	-	0.15
	(0.48)	-	(0.48)
IIFL Facilities Services Limited	3.10	-	3.10
	(3.03)	-	(3.03)
Spaisa Capital Limited	0.38	-	0.38
	(0.06)	-	(0.06)
Allocation / reimbursement of expenses paid others			
IIFL Facilities Services Limited	0.08	-	0.08
	(0.09)	-	(0.09)
Spaisa Capital Limited	0.02	-	0.02
	(0.27)	-	(0.27)
IIFL Management Services Limited	0.00	-	0.00
	(0.01)	-	(0.01)
IIFL Securities Limited	0.24	-	0.24
	(0.92)	-	(0.92)
India Infoline Commodities Limited	0.02	-	0.02
	-	-	-
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0.01	-	0.01
	(0.00)	-	(0.00)
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited)	0.00	-	0.00
	(0.05)	-	(0.05)
Allocation / reimbursement of expenses received			
IIFL Facilities Services Limited	0.06	-	0.06
	(0.08)	-	(0.08)
Spaisa Capital Limited	2.05	-	2.05
	(1.56)	-	(1.56)
IIFL Management Services Limited	0.15	-	0.15
	(0.14)	-	(0.14)
IIFL Securities Limited	4.14	-	4.14
	(3.54)	-	(3.54)
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited)	0.31	-	0.31
	(0.22)	-	(0.22)
Allocation / reimbursement of expenses received others			
IIFL Facilities Services Limited	0.00	-	0.00
	(0.01)	-	(0.01)
IIFL Management Services Limited	0.17	-	0.17
	(0.10)	-	(0.10)
India Infoline Foundation	0.01	-	0.01
	(0.00)	-	(0.00)
Spaisa Capital Limited	0.02	-	0.02
	(0.22)	-	(0.22)
Spaisa P2P Limited	-	-	-
	(0.00)	-	(0.00)
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0.00	-	0.00
	(0.03)	-	(0.03)
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited)	-	-	-
	(0.06)	-	(0.06)
IIFL Securities Limited	0.10	-	0.10
	(1.14)	-	(1.14)
Security Deposit Paid			
IIFL Facilities Services Limited	2.45	-	2.45
	(0.53)	-	(0.53)
Repayment towards Borrowing			
IIFL Management Services Limited	-	-	-
	(0.12)	-	(0.12)
Security Deposit Received			
IIFL Facilities Services Limited	-	-	-
	(0.01)	-	(0.01)
Non convertible debenture Issued			
360 ONE WAM LIMITED (earlier Known as IIFL Wealth Management Limited)	-	-	-
	(6.10)	-	(6.10)
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(25.07)	-	(25.07)
IIFL Management Services Limited	-	-	-
	(55.09)	-	(55.09)

(₹ in crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Branding Income			
Livlong Insurance Brokers Limited	-	5.64	5.64
	-	-	-
Cross charge, platform fees and marketing Spends			
Open Financial Technologies Private Limited	-	40.78	40.78
	-	-	-
Interest Accrued			
IIFL Securities Limited	-	0.00	0.00
	-	-	-
IIFL Management Services Limited	-	0.00	0.00
	-	-	-
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	0.07	0.07
	-	-	-
Short term employee benefit			
Mr. Nirmal Jain	-	11.09	11.09
	-	(10.20)	(10.20)
Mr. Kapish Jain	-	2.25	2.25
	-	(0.88)	(0.88)
Mrs. Sneha Patwardhan	-	0.15	0.15
	-	(0.74)	(0.74)
Mr. Rajesh Rajak	-	-	-
	-	(1.82)	(1.82)
Ms. Rupal Jain	-	0.14	0.14
	-	-	-
Ms. Mauli Agarwal	-	0.02	0.02
	-	-	-
Long term employee benefit			
Mr. Nirmal Jain	-	0.20	0.20
	-	(0.24)	(0.24)
Mr. Kapish Jain	-	0.05	0.05
	-	(0.02)	(0.02)
Mrs. Sneha Patwardhan	-	(0.01)	(0.01)
	-	(0.02)	(0.02)
Ms. Rupal Jain	-	0.00	0.00
	-	-	-
Ms. Mauli Agarwal	-	0.01	0.01
	-	-	-
Share based payments			
Mrs. Sneha Patwardhan	-	0.06	0.06
	-	-	-
Post employment benefits			
Mr Kapish Jain	-	0.10	0.10
	-	-	-
Sitting fees and commission			
Mr. Arun Kumar Purwar	-	0.49	0.49
	-	(0.28)	(0.28)
Mr. Nilesh Vikamsey	-	0.48	0.48
	-	(0.25)	(0.25)
Mr. Ramakrishnan Subramanian	-	0.35	0.35
	-	(0.25)	(0.25)
Mr. Vijay Kumar Chopra	-	0.35	0.35
	-	(0.21)	(0.21)
Ms. Geeta Mathur	-	0.44	0.44
	-	(0.26)	(0.26)
Mr. T. S. Ramakrishnan	-	0.04	0.04
	-	-	-
Mr. Bijou Kurien	-	0.02	0.02
	-	-	-
Mr. Nihar Niranjan Jambusaria	-	0.02	0.02
	-	-	-
Mr. Vibhore Sharma	-	-	-
	-	(0.06)	(0.06)

Note 42.2 Closing balances with related parties

(₹ in crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Other payable			
IIFL Facilities Services Limited	0.30	-	0.30
	(0.14)	-	(0.14)

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regd. No. 109983W Chartered Accountants

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2024

(₹ in crores)

Nature of Transaction	Other related parties	KMP and close members of KMP	Total
Sparsa Capital Limited	-	-	-
	(0.02)	-	(0.02)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	0.34	-	0.34
	(1.52)	-	(1.52)
IIFL Management Services Limited	-	-	-
	(0.11)	-	(0.11)
IIFL Securities Limited	1.17	-	1.17
	-	-	-
Other receivable			
IIFL Management Services Limited	0.01	-	0.01
	-	-	-
IIFL Securities Limited	-	-	-
	(0.73)	-	(0.73)
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0.95	-	0.95
	(0.01)	-	(0.01)
Livlong Protection & Wellness Solutions Limited (Formerly known as IIFL Corporate Services Limited)	8.47	-	8.47
	(3.11)	-	(3.11)
Sparsa Capital Limited	0.33	-	0.33
	-	-	-
India Infoline Foundation	0.00	-	0.00
	-	-	-
Security Deposit receivable			
IIFL Facilities Services Limited	3.88	-	3.88
	(1.44)	-	(1.44)
Outstanding non convertible debenture issued			
IIFL Management Services Limited	-	-	-
	(4.00)	-	(4.00)
IIFL Securities Limited	-	-	-
	(8.00)	-	(8.00)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	4.13	-	4.13
	(39.21)	-	(39.21)
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(7.60)	-	(7.60)
Interest accrued on outstanding non convertible debenture issued			
360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	(4.37)	-	(4.37)
IIFL Management Services Limited	0.00	-	0.00
	-	-	-
IIFL Securities Limited	0.00	-	0.00
	-	-	-
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	1.50	-	1.50
	(11.94)	-	(11.94)
Loan & other receivable			
Mr. Shankar Subramanian	-	0.01	0.01
	-	(0.14)	(0.14)
Gratuity payable*			
Mr.Nirmal Jain	-	0.16	0.16
	-	(0.15)	(0.15)
Mr.Kapish Jain	-	0.03	0.03
	-	(0.01)	(0.01)
Mrs. Sneha Patwardhan	-	-	-
	-	(0.01)	(0.01)
Ms Rupal Jain	-	0.00	0.00
	-	-	-
Ms Mauli Agarwal	-	0.00	0.00
	-	-	-
Leave encashment payable *			
Mr. Nirmal Jain	-	1.10	1.10
	-	(0.89)	(0.89)
Mr. Kapish Jain	-	0.02	0.02
	-	(0.02)	(0.02)
Mrs. Sneha Patwardhan	-	-	-
	-	(0.00)	(0.00)
Ms. Rupal Jain	-	0.00	0.00
	-	-	-
Ms. Mauli Agarwal	-	0.01	0.01
	-	-	-

* Based on acturial valuation report

#0.00 denotes amount less than ₹ fifty thousand

(Figure in bracket represents previous year figures)

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

Note 43.1. 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	2,469.87	-	2,469.87
(b)	Bank balance other than (a) above	1,440.00	335.85	1,775.85
(c)	Derivative financial instruments	149.89	7.80	157.69
(d)	Receivables	-	-	
	(i) Trade receivables	102.42	-	102.42
	(ii) Other receivables	29.65	-	29.65
(e)	Loans	23,994.09	26,958.23	50,952.32
(f)	Investments	385.39	3,673.59	4,058.98
(g)	Other financial assets	665.90	746.67	1,412.57
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	177.15	20.55	197.70
(b)	Deferred tax assets (net)	-	151.79	151.79
(c)	Investment property	-	295.90	295.90
(d)	Property, plant and equipment	-	168.47	168.47
(e)	Capital work-in-progress	-	51.83	51.83
(f)	Right to use assets	-	436.11	436.11
(g)	Intangible assets under development	-	0.50	0.50
(h)	Other intangible assets	-	4.68	4.68
(i)	Other non-financial assets	58.12	96.71	154.83
(j)	Non current assets held for sale	-	-	-
	Total Assets	**29,472.48**	**32,948.68**	**62,421.16**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	3.56	29.97	33.53
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	8.84	-	8.84
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	207.84	-	207.84
(c)	Finance lease obligation	104.66	356.84	461.50
(d)	Debt securities	2,762.33	6,268.01	9,030.34
(e)	Borrowings (other than debt securities)	11,900.88	22,222.32	34,123.20
(f)	Subordinated liabilities	383.34	3,162.32	3,545.66
(g)	Other financial liabilities	2,609.72	10.14	2,619.86
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	7.68	-	7.68
(b)	Provisions	54.15	29.46	83.61
(c)	Deferred tax liabilities (net)	-	1.21	1.21
(d)	Other non-financial liabilities	241.27	0.18	241.45
[3]	**EQUITY**			
(a)	Equity share capital	-	76.31	76.31
(b)	Other equity	-	10,560.68	10,560.68
(c)	Non-controlling interest	-	1,419.45	1,419.45
	Total Liabilities and Equity	**18,284.27**	**44,136.89**	**62,421.16**

Note 43.2. 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	3,631.84	0.29	3,632.13
(b)	Bank balance other than (a) above	1,761.21	447.15	2,208.36
(c)	Derivative financial instruments	95.21	128.37	223.58
(d)	Receivables	-	-	-
	(i) Trade receivables	120.51	0.92	121.43
	(ii) Other receivables	15.47	-	15.47
(e)	Loans	18,201.25	21,941.82	40,143.07
(f)	Investments	1,557.08	1,953.92	3,511.00
(g)	Other financial assets	747.80	867.76	1,615.56
		-	-	-
[2]	**Non-financial assets**	-	-	-
(a)	Current tax assets (net)	2.15	237.44	239.59
(b)	Deferred tax assets (net)	-	122.67	122.67
(c)	Investment property	-	296.04	296.04
(d)	Property, plant and equipment	-	176.13	176.13
(e)	Capital work-in-progress	26.92	0.10	27.02
(f)	Right to use assets	-	386.60	386.60
(g)	Intangible assets under development	0.49	-	0.49
(h)	Other intangible assets	-	3.38	3.38
(i)	Other non-financial assets	199.18	73.24	272.42
(j)	Non current assets held for sale	7.85	-	7.85
	Total Assets	**26,366.96**	**26,635.83**	**53,002.79**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	38.59	3.78	42.37
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.02	-	3.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	194.28	-	194.28
(c)	Finance lease obligation	96.43	317.00	413.43
(d)	Debt securities	3,230.95	4,694.35	7,925.30
(e)	Borrowings (other than debt securities)	10,523.29	17,952.98	28,476.27
(f)	Subordinated liabilities	243.45	2,958.97	3,202.42
(g)	Other financial liabilities	2,017.83	8.68	2,026.51
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	45.82	-	45.82
(b)	Provisions	66.22	18.55	84.77
(c)	Deferred tax liabilities (net)	0.61	-	0.61
(d)	Other non-financial liabilities	385.85	-	385.85
[3]	**EQUITY**			
(a)	Equity share capital	-	76.09	76.09
(b)	Other equity	-	8,915.97	8,915.97
(c)	Non-controlling interest	-	1,210.08	1,210.08
	Total Liabilities and Equity	**16,846.35**	**36,156.44**	**53,002.79**

Note 44. Corporate Social Responsibility:

During the financial year 2023-24, the Group has spent ₹ 27.86 crore (P.Y. ₹ 21.35 crore) towards corporate social responsibility. There is a shortfall of ₹ 8.51 crore (P.Y. ₹ 6.05 crore), most of which pertains to the ongoing projects.

The unspent amount towards the ongoing projects have been transferred to separate bank accounts as per the regulation. In respect of other than ongoing projects, the Group has transferred unspent amount of ₹ 0.01 crore to the PM Cares Fund, a fund specified in Schedule VII to the Companies Act.

Note 45. Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements:

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)
IIFL Finance Limited	28.93%	3,488.10	22.94%	452.82	45.92%	(7.94)	22.73%	444.88
Indian Subsidiaries								
IIFL Home Finance Limited	42.34%	5,104.73	40.98%	809.09	34.44%	(5.97)	41.04%	803.12
Samasta Microfinance Limited	16.60%	2,001.17	25.36%	500.72	10.74%	(1.86)	25.49%	498.86
IIFL Open Fintech Private Limited	0.36%	42.99	0.05%	0.91	0.01%	(0.00)	0.05%	0.91
Subtotal	**88.23%**	**10,636.99**	**89.33%**	**1,763.54**	**91.11%**	**(15.77)**	**89.31%**	**1,747.77**
Non Controlling interest in subsidiaries	11.77%	1,419.45	10.67%	210.68	8.89%	(1.53)	10.69%	209.15
Total		**12,056.44**		**1,974.22**		**(17.30)**		**1,956.92**

*0.00 denotes amount less than ₹ fifty thousand

Note 46. Segment Reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 on 'Segment Reporting'.

Note 47. Shared services

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Note 48. Action by the Reserve Bank of India (RBI) against the Parent Company:

On March 04, 2024, the Reserve Bank of India (RBI), under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, imposed supervisory restrictions on the parent Company. This followed an RBI inspection of the parent Company's financial position as of March 31, 2023, which identified significant concerns in our gold loan portfolio. These include:

- Disbursals and collections of loan amounts in cash exceeding statutory limits.
- Non-compliance with the standard auction process.
- Deviations in assaying and certifying the purity and net weight of gold at both the time of loan sanction and auction upon default.
- Breaches in the Loan-to-Value ratio.
- Lack of transparency in charges levied on customer accounts.

Consequently, the RBI directed the parent Company to cease the sanctioning or disbursing of new gold loans and the assignment, securitization, or sale of existing gold loans with immediate effect. However, the parent Company is permitted to continue servicing its existing gold loan portfolio, including loan collections and recoveries, and to maintain its other business operations as usual.

The RBI has initiated a special audit by an independent professional agency, which commenced on April 23, 2024, and has since concluded. The parent Company has taken necessary measures to address the identified concerns and prevent their recurrence. The Board has thoroughly reviewed these deviations and non-compliances, forming a team to implement corrective actions and revise policies and procedures as needed. Management is confident that these actions will resolve all issues raised by the RBI. The Group remains committed to adhering to the highest standards of compliance with RBI regulations, in both letter and spirit.

Note 49 Impact of RBI's Action on the Parent Company's Operations:

The RBI's order, effective March 05, 2024, placed an embargo on the parent Company's gold loan business. While the Gold Loan Business is a major segment of the standalone Company, its consolidated operations benefit significantly from other businesses operating in the standalone company and its subsidiaries. To mitigate any risks to the parent Company's status as a going concern, the following steps have been taken:

1. **Capital infusion:** Raised ₹ 1,271.83 crore through an equity rights issue in May 2024.
2. **Funding:** Secured ₹ 500.00 crore via Non-Convertible Debentures from long-term investors.
3. **Cost control:** Implemented cost control measures, including the reduction of major discretionary expenditures.

These actions ensure that the parent Company's projected cash flows over the next three years will meet its financial obligations, maintaining robust capital adequacy. Management is confident in resolving all issues raised by the RBI and has prepared the financial statements on a going concern basis.

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn No 109983W Chartered Accountants

Note 50. The Code on Social Security, 2020

a. Social security means the measures of protection afforded to employees, inclusive of unorganized workers, gig workers and platform workers to ensure access to health care and to provide income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner by means of rights conferred on them and schemes framed, under the Code on Social Security, 2020 ("Code").

b. The Code subsumes nine central labour legislations.ie., The Employees' Compensation Act, 1923, The Employees' State Insurance Act, 1948, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, The Maternity Benefit Act, 1961, The Payment of Gratuity Act, 1972, The Cine Workers Welfare Fund Act, 1981, The Building and Other Construction Workers Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act 2008.

c. The objective of the Code is to amend and consolidate the existing labour laws relating to social security with the wider goal of extending social security benefits to all employees and workers irrespective of belonging to the organised or unorganised sector. The Code brings, within itself the self-employed workers, home workers, wage workers, migrant workers, the workers in the unorganised sector, gig workers and platform workers for the purpose of social security schemes, including life insurance and disability insurance, health and maternity benefits, provident fund.

Note 51. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

IIFL FINANCE LIMITED

Kapish Jain
Chief Financial Officer

Mauli Agarwal

Mauli Agarwal
Company Secretary & Compliance officer

Place : Mumbai
Dated: June 15, 2024

CHHAJED & DOSHI
MUMBAI
400 069.
CHARTERED ACCOUNTANTS

Sharp & Tannan Associates
Regn. No.
109983W
Chartered Accountants

Form AOC-I

Salient features of financial statements of Subsidiaries as per Companies Act, 2013 as on March 31, 2024

(₹ in crores)

Sr. No.	Particulars	IIFL Home Finance Limited	Samasta Microfinance Limited	IIFL Open Fintech Private Limited	IIHFL Sales Limited
1	Share Capital	26.34	668.44	16.84	0.05
2	Other Equity	6,421.06	1,341.28	103.73	13.69
3	Total Assets	25,434.31	11,400.26	122.90	40.50
4	Total Liabilities	18,986.91	9,390.54	2.33	26.76
5	Investments	582.13	370.54	61.70	-
6	Total Turnover	3,293.59	2,770.03	9.62	49.69
7	Profit/ (loss) before taxation	1,328.21	657.14	2.39	(0.62)
8	Provision for taxation (including deferred tax)	301.37	154.10	0.60	(0.24)
9	Total Comprehensive Income	1,019.34	501.16	1.79	(0.38)
10	Proposed preference dividend	-	-	-	-
11	Extent of interest in subsidiary	79.59%	99.56%	51.02%	100.00%

Note: Reporting period for the subsidiary is the same as holding company.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

IIFL FINANCE LIMITED

Mauli Agarwal

Mauli Agarwal
Company Secretary & Compliance officer

Kapish Jain
Chief Financial Officer

Place : Mumbai
Dated: June 15, 2024

CHHAJED & DOSHI
MUMBAI 400 069.
CHARTERED ACCOUNTANTS

Sharp & Tannan Associates
Regn. No. 109983W
Chartered Accountants

IIFL Finance Limited

Standalone Financial Statements

as on 31st March, 2024

(₹in Crores)

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near east west flyover, Opp Telly Gali Junction, Andheri (East) Mumbai – 400 069.

Sharp & Tannan Associates
Chartered Accountants
87, Nariman Bhavan,
227, Nariman Point, Mumbai – 400 021.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
IIFL Finance Limited

Report on the Audit of the Standalone financial statements.

Opinion

We have audited the accompanying standalone financial statements of IIFL Finance Limited (The "Company"), which comprise Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards 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 state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Material Uncertainty related to Going Concern

We draw attention to Note No 42 in the financial statements, which explains that the Reserve Bank of India ("RBI") vide its directive dated March 4, 2024 and in exercise of its powers under Section 45I(1)(b) of the Reserve Bank of India Act, 1934 has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning / securitizing/ selling any of its gold loans. However, the RBI permitted the company to continue to service its existing gold loan portfolio through usual collection and recovery processes.

The Company has total Loan book of Rs. 17,842 crores and Rs. 14,047 crores as on March 31, 2024 and March 31, 2023 respectively. Out of the above, the Gold Loan stood at Rs. 9,634 crores (54.00%) and Rs. 8,330 crores (59.30%) for each respective financial year.

These events or conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the factors as described in the note no 43 in the financial statements, the management is of the view that the going concern basis of accounting is appropriate.

Our opinion is not modified in respect of this matter.

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Emphasis of Matter

We refer to Note No 42 of the accompanying financial statements that explains the directives issued by The Reserve Bank of India ("RBI") dated March 4, 2024. The Note explains the supervisory concerns noted by the RBI in respect of restrictions on loan against gold. These supervisory restrictions are under review by RBI post completion of special audit instituted by the RBI.

Our Opinion is not modified in respect of this Emphasis of Matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Material Uncertainty Related to Going Concern section* of this report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**<u>Impairment of Financial Assets held at amortised cost:</u>** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter.	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our understanding of the business. We assessed the design and implementation of key Internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Refer Note 38A.3 to the Financial Statements.	determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Directors report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report and Management Discussion and Analysis report, 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 "The Auditors Responsibilities Relating to Other Information".

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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Responsibilities of Management and Those Charged with Governance for the 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 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 the Indian accounting standards specified under Sec 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 financial controls 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 system 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.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period 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 includes the comparative financial information for the year ended March 31, 2023 were audited by one of the joint auditor and one of the predecessor auditor and has issued unmodified opinion vide their report dated April 26, 2023.

Our opinion is not modified in respect of these other matters.

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 in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 of the financial statements.
   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.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regd. No. 109983W Chartered Accountants

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 maintained for the purpose or preparation of the financial statements.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 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 over financial reporting 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 during the year is in accordance with the provisions of section 197 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 39 of the 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 not been any delay in transferring amounts which requires 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, 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 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, no funds 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; and

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

(c) In our opinion and based on the audit procedures, we have 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 dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts 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 tempered with.

As proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi
Chartered Accountants
ICAI Firm Reg. No. 101794W
By the hand of

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

M. P. Chhajed
Partner
Membership No. 049357
Place: Mumbai
Date: June 15, 2024
UDIN: 24049357BKCISC3289

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

Parthiv S. Desai
Partner
Membership No. 042624
Place: Mumbai
Date: June 15, 2024
UDIN: 24042624BKFRTC7828

Annexure A referred to paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of IIFL Finance Limited on the financial statement for the year ended March 31, 2024.

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:

3(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 of assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment including Right of Use Assets to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to such programme, 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 explanation received no material discrepancies were noticed during the verification.

(c) The title deeds of 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) are held in the name of the Company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) There are no proceedings initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3(ii)(a) The company does not have any inventory and accordingly, the requirement to report on 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 / financial institutions on the basis of security of current assets namely financial asset. Quarterly returns / statements filed with such banks / financial institutions are in agreement with the unaudited books of account of the Company.

3(iii)(a) The company's principal business is to give loans and accordingly, the provisions stated in paragraph 3(iii)(a) of the order are not applicable to the company.

(b) In our Opinion the terms and conditions in relations to the investments made, guarantees provided, security given and / or grant of all loans and advances in the nature of loans and guarantees are prima facie not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company, is registered under provisions of Reserve Bank of India Act, 1934 and rules made there under, in pursuance of its compliance with provisions of the said act, particularly, the Income Recognition, Asset Classification and Provisioning norms and generally accepted business practices by the lending institutions, repayments schedules are stipulated basis the nature of loan products. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of the amounts, due date of repayment or receipt and extent of delay in this report (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 are not

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Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

(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. 121.10 crores with respect to 1,99,819 borrowers. In such instances, in our opinion reasonable steps have been taken by the company for recovery of the overdue amount of principal and interest.

(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.

(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. Accordingly, the requirement to report on clause 3(iii)(f) of the order is not applicable to the Company.

3(iv) Loans, Investments, Guarantees and security in respect of which the provisions of sections 185 and 186 of the Companies Act, 2013, are applicable have been complied with by the Company.

3(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 section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(iii)(v) of the order is not applicable to the Company.

3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Companies Act, 2013 for the company. Accordingly, the requirement to report on clause 3(vi) of the order is not applicable to the Company.

3(vii)(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. The provisions of sales tax, value added tax, service tax, customs duty, excise duty and cess are not applicable to the Company.

There were no undisputed amounts payable in respect of these statutory dues in arrears as at March 31, 2024, for a period of more than six months from the date they became payable.

(b) The dues of provident fund, employees state insurance, income tax, goods and services tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the Company, which have not been deposited on account of any dispute as at March 31, 2024 are as follows.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Under Dispute (Rs. in Crores)	Amount Deposited under protest (Rs. in Crores)
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2008-09	2.20	2.20
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2009-10	1.97	1.97
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2010-11	6.45	4.26

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Under Dispute (Rs. in Crores)	Amount Deposited under protest (Rs. in Crores)
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2011-12	4.25	1.71
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2012-13	12.22	4.19
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2013-14	5.22	4.26
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	7.68	1.54
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	10.90	7.05
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2018-19	9.35	8.53
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	10.30	10.30
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2021-22	17.80	17.80
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2022-23	111.61	10.27
Income Tax Act, 1961	Income Tax	ITAT	AY 2012-13	9.09	-
Income Tax Act, 1961	Income Tax	ITAT	AY 2013-14	0.34	0.34
Income Tax Act, 1961	Income Tax	ITAT	AY 2014-15	0.50	0.50
Income Tax Act, 1961	Income Tax	ITAT	AY 2016-17	1.39	1.39
The Finance Act, 1994	Service tax	Adjudicating Authority	Apr 2007 to March 2012	0.25	0.004
The Finance Act, 1994	Service tax	CESTAT Mumbai	April 2007 to 13 May 2008	14.43	0.21
The Finance Act, 1994	Service tax	CESTAT Mumbai	July 2012 to March 2014	53.80	1.33
Goods and Service tax Act	GST	GST Appeal Andhra Pradesh	July 01, 2017 to March 31, 2019	0.44	0.02
Goods and Service tax Act	GST	GST Appeal Mumbai	July 01, 2017 to March 31, 2018	0.15	0.01

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Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Under Dispute (Rs. in Crores)	Amount Deposited under protest (Rs. in Crores)
Goods and Service tax Act	GST	GST Appeal - Telangana / Utar Pradesh	FY 17-18	0.11	0.01
Goods and Service tax Act	GST	GST Appeal Karnataka	Upto Sep -19	0.29	0.09
Maharashtra Profession Tax.	Prof. Tax	Comm. Sales Tax Appeal	FY 2007-2008	0.16	0.05

3(viii) There are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in the tax assessments of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of accounts. Accordingly, the requirement to report on clause 3(viii) of the order is not applicable to the Company.

3(ix)(a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

(b) The company has not been declared as wilful defaulter by any bank or financial institution or other lender during the year.

(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.

(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 subsidiaries. The Company does not have any associates or joint ventures.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix)(f) of the order is not applicable to the Company. The Company does not have any associates or joint ventures.

3(x) (a) The money raised by way of initial public offer or further public offer (including debt instruments) have been applied by the Company during the year for the purposes for which they were raised.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible). Accordingly, the requirement to report on clause 3(x)(b) of the order is not applicable to the Company. In case of shares issued to the employees under Employee Option scheme the requirements of section 62 or the companies act have been complied with and the funds raised have been used for the purposes for which funds were raised.

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Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

3(xi)(a) During the year the Company has come across fraud amounting to Rs.6.66 crores in respect of its lending operations out of the same Rs. 0.20 Crore have been recovered please refer Note 53 to the standalone financial statements. No fraud by the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing, and extent of our audit procedures.

3(xii) The Company is not a Nidhi Company Accordingly, the requirement to report on clause 3(xii) of the order is not applicable to the Company.

3(xiii) The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

3(xiv)(a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) The Internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

3(xv) The Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them. Accordingly, the requirement to report on clause 3(xv) of the order is not applicable to the Company.

3(xvi)(a) The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Company.

(b) The company has carried on the business of Non- Banking Financial activities with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause 3(xvi)(b) of the order is not applicable to the Company.

(c) The company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India Accordingly, the requirement to report on clause 3(xvi)(c) of the order is not applicable to the Company.

(d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) Accordingly, the requirement to report on clause 3(xvi)(d) of the order is not applicable to the Company.

3(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

3(xviii) One of the predecessor joint auditor 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 the commercial banks (excluding RRBs), UCBs and NBFCs (Including HFCs) dated April 27, 2021, issued by Reserve bank of India, and there are no issues objections or concerns raised by the outgoing auditor.

3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities 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

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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. (Refer 'Material Uncertainty Relating to Going Concern' section of our audit report of even date)

3(xx)(a) In respect of other then ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, 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 48 to the standalone financial statements.

(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 Companies Act, 2013, This matter has been disclosed in note 45 to the standalone financial statements.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi
Chartered Accountants
ICAI Firm Reg. No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357
Place: Mumbai
Date: June 15, 2024
UDIN: 24049357BKCISC3289

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624
Place: Mumbai
Date: June 15, 2024
UDIN: 24042624BKFRTC7828

Annexure B referred to paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of IIFL Finance Limited on the financial statement for the year ended March 31, 2024.

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 over financial reporting of IIFL Finance Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Reg. No. 109983W Chartered Accountants company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, read together with Emphasis of Matter contained in our even dated audit opinion on the standalone financial statements of the Company for the financial year ended March 31, 2024, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Signed by the Joint Statutory Auditors of the Company

For Chhajed & Doshi
Chartered Accountants
ICAI Firm Reg. No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357
Place: Mumbai
Date: June 15, 2024
UDIN: 24049357BKCISC3289

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Reg. No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624
Place: Mumbai
Date: June 15, 2024
UDIN:24042624BKFRTC7828

STANDALONE FINANCIAL STATEMENTS OF IIFL 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	4	863.92	1,763.87
(b)	Bank balance other than (a) above	5	966.58	1,407.07
(c)	Derivative financial instruments	6	157.69	172.37
(d)	Receivables			
	(i) Trade receivables	7	42.27	66.51
	(ii) Other receivables	7	29.65	15.47
(e)	Loans	8	18,426.84	14,685.83
(f)	Investments	9	5,156.58	3,779.69
(g)	Other financial assets	10	734.12	867.02
			26,377.65	**22,757.83**
[2]	**Non-financial assets**			
(a)	Current tax assets (net)		154.05	225.77
(b)	Deferred tax assets (net)	11	75.92	31.80
(c)	Investment property	12	293.70	293.70
(d)	Property, plant and equipment	13	132.35	147.79
(e)	Capital work-in-progress	14 (a)	51.83	27.02
(f)	Right to use assets	15	363.98	328.23
(g)	Intangible assets under development	14 (b)	0.17	0.38
(h)	Other intangible assets	16	4.12	2.95
(i)	Other non-financial assets	17	134.36	260.50
(j)	Non current assets held for sale	18	-	7.85
			1,210.48	**1,325.99**
	Total assets		**27,588.13**	**24,083.82**
	Liabilities and equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6	30.92	33.14
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	19	5.72	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	134.61	131.89
(c)	Finance lease obligation	15	382.13	352.22
(d)	Debt securities	20	4,340.46	5,194.09
(e)	Borrowings (other than debt securities)	21	13,966.67	10,526.89
(f)	Subordinated liabilities	22	1,703.77	1,659.51
(g)	Other financial liabilities	23	1,296.20	895.81
			21,860.48	**18,793.55**
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		2.83	29.63
(b)	Provisions	24	38.82	52.75
(c)	Other non-financial liabilities	25	90.09	92.98
			131.74	**175.36**
	Total liabilities		**21,992.22**	**18,968.91**
[3]	**Equity**			
(a)	Equity share capital	26	76.31	76.09
(b)	Other equity	26.1	5,519.60	5,038.82
			5,595.91	**5,114.91**
	Total liabilities and equity		**27,588.13**	**24,083.82**
See accompanying notes forming part of the financial statements		1 - 63		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M. P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crores)

Sr. no.	Particulars	Note no.	Year ended March 31, 2024	Year ended March 31, 2023
[1]	**Revenue from operations**			
(i)	Interest income	27.1	4,348.34	3,468.42
(ii)	Dividend income	27.2	132.02	87.58
(iii)	Fees and commission income		124.07	62.73
(iv)	Net gain on fair value changes	28	-	91.82
(v)	Net gain on derecognition of financial instruments under FVTOCI category	31	-	348.06
(I)	**Total revenue from operations**		**4,604.43**	**4,058.61**
(II)	**Other income**	29	**45.00**	**30.08**
(III)	**Total Income (I+II)**		**4,649.43**	**4,088.69**
[2]	**Expenses**			
(i)	Finance costs	30	1,717.21	1,455.96
(ii)	Net loss on fair value changes	28	226.16	-
(iii)	Net loss on derecognition of financial instruments under FVTOCI category	31	166.77	-
(iv)	Impairment on financial instruments	32	378.71	285.53
(v)	Employee benefits expenses	33	723.29	672.38
(vi)	Depreciation, amortisation and impairment	34	134.90	124.77
(vii)	Other expenses	35	572.41	507.33
(IV)	**Total Expenses**		**3,919.45**	**3,045.97**
(V)	**Profit before exceptional items and tax (III-IV)**		**729.98**	**1,042.72**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+VI)**		**729.98**	**1,042.72**
[3]	**Tax expense**			
	(1) Current tax	36	188.91	117.53
	(2) Deferred tax	11 & 36	(41.45)	119.70
	(3) Current tax relating to previous periods	36	(2.26)	-
(VIII)	**Total tax expense**		**145.20**	**237.23**
(IX)	**Profit for the year (VII-VIII)**		**584.78**	**805.49**
[4]	**Other comprehensive income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit liability/(asset)	36	(3.25)	(1.79)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 36	0.82	0.45
	Subtotal (A)		**(2.43)**	**(1.34)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Cash flow hedge (net)	36	(7.36)	29.61
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 36	1.85	(7.45)
	Subtotal (B)		**(5.51)**	**22.16**
(X)	**Other comprehensive income/(loss) (A+B)**		**(7.94)**	**20.82**
(XI)	**Total comprehensive income for the year (IX+X)**		**576.84**	**826.31**
(XII)	**Earnings per equity share of face value ₹ 2 each**	37		
	Basic (₹)		15.35	21.20
	Diluted (₹)		15.16	21.04
	See accompanying notes forming part of the financial statements	1 - 63		

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Sharp & Tannan Associates Regd. No. 109983W Chartered Accountants

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

IIFL FINANCE LIMITED

Kapish Jain
Chief Financial Officer

Mauli Agarwal

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

CHHAJED & DOSHI MUMBAI 400 0[illegible] CHARTERED ACCOUNTANTS

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crores)

Particulars	Note no.	Year ended March 31, 2024		Year ended March 31, 2023	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			729.98		1,042.72
Adjustments for:					
Depreciation, amortisation and impairment	13, 15 & 16	134.90		124.77	
Impairment on loans	32	92.10		(80.31)	
Impairment on other financial instruments		7.30		10.69	
(Profit)/ loss on sale of assets		(16.75)		(0.05)	
(Gain)/ loss on termination of lease - Ind AS 116		(1.40)		(3.03)	
Net (gain)/ loss on fair value changes on investments- realised	28	(38.61)		(29.74)	
Net (gain)/ loss on fair value changes on investments- unrealised	28	264.77		(62.08)	
Net (gain) / loss on derecognition of financial instruments under FVTOCI category	31	166.77		(348.06)	
Employee benefit expenses - share based		36.84		2.64	
Employee benefit expenses - others		10.99		8.75	
Interest on loans		(4,249.11)		(3,355.11)	
Interest on deposits with banks	27.1	(80.79)		(80.94)	
Interest on investments	27.1	(18.44)		(32.37)	
Dividend income	27.2	(132.02)		(87.58)	
Dividend received		132.02		87.58	
Finance cost		1,668.60		1,416.27	
Interest expenses - Ind AS 116	15	31.90		29.96	
Net (gain)/ loss on buy back of debt securities		(0.24)		(4.47)	
Income received on loans		4,005.40		3,585.73	
Interest received on deposits with banks		86.23		58.48	
Income received on investments		18.52		31.14	
Finance cost paid		(1,675.77)	443.21	(1,393.20)	(120.93)
Operating profit before working capital changes			**1,173.19**		**921.79**
Decrease/ (increase) in financial and non financial assets		80.03		133.93	
Increase/(decrease) in financial and non financial liabilities		61.50	141.53	(757.09)	(623.16)
Cash (used in)/ generated from operating activities			**1,314.72**		**298.63**
Taxes paid			(141.74)		(105.08)
Loans (disbursed)/ repaid (net)			(2,729.25)		(1,950.05)
Net cash (used in) / generated from operating activities (A)			**(1,556.27)**		**(1,756.50)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(84.91)		(90.29)
Sale of property, plant and equipment and non curent assets held for sale			41.96		1.43
Purchase of equity investments in subsidiary			(200.00)		(497.48)
Proceeds/(purchase) of investments			(2,261.94)		(741.54)
Proceeds/(deposits) from maturity of deposits placed with banks			449.96		(139.78)
Net cash (used in)/ generated from investing activities (B)			**(2,054.93)**		**(1,467.66)**
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share (including securities premium)			19.43		11.13
Proceeds from share application pending allotment			0.49		-
Dividend paid			(152.59)		(152.10)
Proceeds from debt securities			4,799.33		1,238.71
Repayment of debt securities			(5,288.57)		(1,390.88)
Proceeds from borrowings (other than debt securities)			22,504.00		10,113.83
Repayment of borrowings (other than debt securities)			(19,079.79)		(9,346.72)
Proceeds from subordinated liabilities			35.00		302.39
Repayment of subordinated liabilities			(12.39)		(43.00)
Payment of lease liability			(113.66)		(102.87)
Net cash (used in)/ generated from financing activities (C)			**2,711.25**		**630.51**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)			**(899.95)**		**(2,593.65)**
Add : Opening cash and cash equivalents as at the beginning of the year			**1,763.87**		**4,357.52**
Cash and cash equivalents as at the end of the year	4		**863.92**		**1,763.87**
See accompanying notes forming part of the financial statements	1 - 63				

In terms of our report attached of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

IIFL FINANCE LIMITED

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital

(₹ in crores)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2024 (Refer Note 26)	76.09	0.22	76.31
As at March 31, 2023 (Refer Note 26)	75.92	0.17	76.09

B. Other Equity

(₹ in crores)

Particulars	Share application money pending allotment (Note 1)	Reserves & Surplus								Other Comprehensive Income (OCI)		Total
		Capital reserve (Note 2)	Securities premium reserve (Note 3)	General Reserve (Note 4)	Special Reserve pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Capital Redemption Reserve (Note 6)	Debenture Redemption Reserve (Note 7)	Retained Earnings (Note 8)	Stock option outstanding account (Note 9)	Effective portion of Cash Flow Hedges (Note 10)	Remeasurements of defined benefit (Note 11)	
Balance as at April 01, 2022	-	**83.89**	**1,845.03**	**509.35**	**789.42**	**230.11**	**12.80**	**898.60**	**14.18**	**(32.35)**	**(0.05)**	**4,350.98**
Profit for the year	-	-	-	-	-	-	-	805.49	-	-	-	805.49
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	22.16	(1.34)	20.82
Interim dividend	-	-	-	-	-	-	-	(152.09)	-	-	-	(152.09)
Transfer to/ (from) reserves	-	-	6.07	1.09	161.11	-	-	(161.11)	(7.16)	-	-	-
Addition during the year	-	-	10.97	-	-	-	-	-	2.65	-	-	13.62
Balance as at March 31, 2023	-	**83.89**	**1,862.07**	**510.44**	**950.53**	**230.11**	**12.80**	**1,390.89**	**9.67**	**(10.19)**	**(1.39)**	**5,038.82**
Profit for the year	-	-	-	-	-	-	-	584.78	-	-	-	584.78
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	(5.51)	(2.43)	(7.94)
Interim dividend	-	-	-	-	-	-	-	(152.59)	-	-	-	(152.59)
Transfer to/ (from) reserves	-	-	4.39	(0.45)	116.96	-	-	(116.96)	(3.94)	-	-	-
Addition during the year	0.49	-	19.20	-	-	-	-	-	36.84	-	-	56.53
Balance as at March 31, 2024	**0.49**	**83.89**	**1,885.66**	**509.99**	**1,067.49**	**230.11**	**12.80**	**1,706.12**	**42.57**	**(15.70)**	**(3.82)**	**5,519.60**

CHHAJED & DOSHI * CHARTERED ACCOUNTANTS * MUMBAI 400 069.

Sharp & Tannan Associates * Chartered Accountants * ICAI Regd. No. 109983W

IIFL FINANCE LIMITED

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

Notes:

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.
2. **Capital reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.
3. **Securities premium reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
4. **General reserve:** The reserve can be distributed/ utilised by the Company, in accordance with The Companies Act, 2013.
5. **Special reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, 20% of the profit after tax for the year has been transferred from Retained Earnings to Special Reserve.
6. **Capital redemption reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of The Companies Act, 2013.
7. **Debenture redemption reserve:** Pursuant to Section 71 of The Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 the Company being an NBFC is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
8. **Retained earnings:** These are the profits that the Company has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and Capital Redemption Reserve.
9. **Stock option outstanding account:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
10. **Effective portion of cash flow hedge:** These reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
11. **Remeasurements of defined benefit:** This reserve 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.

See accompanying notes forming part of the financial statements (1 - 63)

In terms of our report attached of even date
For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W
By the hand of

M.P. Chhajed
Partner
Membership No. 049357

Place : Mumbai
Dated: June 15, 2024

CHHAJED & DOSHI * CHARTERED ACCOUNTANTS * MUMBAI 400 063.

For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No. 109983W
By the hand of

Parthiv S. Desai
Partner
Membership No. 042624

Sharp & Tannan Associates * Chartered Accountants * ICAI Regn. No. 109983W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

IIFL FINANCE LIMITED

Mauli Agarwal

Mauli Agarwal
Company Secretary & Compliance Officer

Note 1. CORPORATE INFORMATION:

Company overview

IIFL Finance Limited (the "Company") is a middle layer Non-Banking Financial Company not accepting public deposits registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 06, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as gold loan, loans to Micro, small & medium enterprise ("MSME"), loan against securities and digital finance loans.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On June 15, 2024, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

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 Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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 not traded in active market) 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.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

(a) 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 liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates can 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 these changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Financial Statements are presented in Indian rupees which is determined to be functional currency of the Company and the currency of primary economic environment in which the Company operates.

(b) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the provisions of the Act and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations requires a different treatment.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

Note 3. MATERIAL 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.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 taking into account all the contractual terms of the instrument.

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.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point-in-time basis and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

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. Assignment transactions:

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, 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.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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IIFL FINANCE LIMITED

vi. Other operational revenue

Other operational revenue 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 original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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 available for 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 / group of similar 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	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above 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.

An item of PPE 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 PPE 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.

Capital work in progress

Projects under which PPE 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.

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Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

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 under development
Intangible assets not ready for their intended use on the Balance Sheet date 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 Statement of Profit and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) 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. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(f) Impairment of 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.

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.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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IIFL FINANCE LIMITED

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to an extent that it 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.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments 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 instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

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

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 Statement of Profit and Loss.

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

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IIFL FINANCE LIMITED

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 being 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) 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.

(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 is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and 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

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.

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 the Statement of Profit and Loss.

Financial assets
Classification and 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 instruments 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 ("SPPI") 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):

- 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 and 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 and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Company's right to receive dividends is established.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

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. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

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ECL is 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 measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- 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.
- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

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 computation is as per the applicable prudential regulatory norms.

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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. 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.

Modification and derecognition 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 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.

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.

Compound instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

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 of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

(l) Investment in subsidiaries

Investment in subsidiaries is recognised at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(m) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. 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 method.

(p) Foreign currencies

In preparing the financial statements, 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent 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 neither recognised nor disclosed in the financial statements.

(s) 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.

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(t) Derivative financial instruments and hedging

The company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures relating to foreign currency borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

The company designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The forward cost are separately accounted for as a cost of hedging and are recognised in OCI and accumulated in a cost of hedging reserve as a separate component within equity.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated under the heading of Cash Flow Hedge Reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss, and is included in the other Income line item.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(u) 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 ecognizes 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 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 ecognize 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 ecognizes 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.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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The Company as a lessee

As a lessee, the Company leases assets which includes gold loan branches/office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-to-use assets and lease liabilities for these leases.

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Note 4. Cash and cash equivalents (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	47.59	58.47
Balance with banks		
- In current accounts	816.33	905.43
CCIL lending/money at call or short notice	-	799.97
Total	**863.92**	**1,763.87**

Note 5. Bank balance (other than cash and cash equivalents) (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks in earmarked accounts towards unclaimed amount on NCD, dividend, and unspent CSR	21.50	6.57
In deposit accounts (refer note 5.1)	922.27	1,372.24
Interest accrued on deposits (refer note 5.1)	22.81	28.26
Total	**966.58**	**1,407.07**

Note 5.1 Out of the deposits shown above (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lien marked	890.77	1,236.52
Margin for credit enhancement	23.91	52.95
Other deposits	30.40	111.03
Total	**945.08**	**1,400.50**

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Note 6: Derivative financial instruments

(₹ in crores)

Part I	As at March 31, 2024			As at March 31, 2023		
	Notional amounts	Fair value - assets	Fair value - liabilities	Notional amounts	Fair value - assets	Fair value - liabilities
(i) Currency derivatives						
- Spot and forwards	4,074.52	140.65	30.92	4,678.79	145.89	33.14
(ii) Interest rate derivatives						
- Forward rate agreements and interest rate swaps	695.50	17.04	-	695.50	26.48	-
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**4,770.02**	**157.69**	**30.92**	**5,374.29**	**172.37**	**33.14**

(₹ in crores)

Part II	As at March 31, 2024			As at March 31, 2023		
	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) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging						
- Currency derivatives	4,074.52	140.65	30.92	4,678.79	145.89	33.14
- Interest rate derivative	695.50	17.04	-	695.50	26.48	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**4,770.02**	**157.69**	**30.92**	**5,374.29**	**172.37**	**33.14**

Credit risk and currency risk

(₹ in crores)

Particulars	Over the counter		Exchange traded		Total	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
Year ended March 31, 2024						
Derivative asset	3,147.25	157.69	-	-	3,147.25	157.69
Derivative liabilities	1,622.77	30.92	-	-	1,622.77	30.92
Year ended March 31, 2023						
Derivative asset	2,157.03	172.37	-	-	2,157.03	172.37
Derivative liabilities	3,217.26	33.14	-	-	3,217.26	33.14

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6.1 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.

6.1.1 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 interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark plus Margin. The Company hedges the interest rate risk arising from the debt with a 'receive floating - pay fixed' interest rate swap.

The Company uses Cross Currency Swap Contracts and Forward Exchange Contracts to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS - 109 (refer note 38.C.2). These contracts are stated at fair value of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognised directly in the "Cash Flow Hedge Reserve" under Other Comprehensive Income and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/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/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	4,770.02	5,374.29
Carrying amount	126.77	139.23
Line item in the statement of financial position	Derivative financial instruments	Derivative financial instruments
Change in fair value used for measuring ineffectiveness for the year (profit/ (loss))	(15.13)	0.10

(₹ in crores)

Impact of hedging item	As at March 31, 2024	As at March 31, 2023
Change in fair value (profit/ (loss))	-	-
Cash flow hedge reserve (Profit/ (Loss))	(15.13)	0.10
Cost of hedging	-	-

(₹ in crores)

Effect of cash flow hedge	As at March 31, 2024	As at March 31, 2023
Total hedging gain / (loss) recognised in OCI	(5.51)	22.16
Ineffectiveness recognised in profit/ (loss)	(15.13)	0.10

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Note 7. Receivables

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade Receivables		
Receivables considered good - secured	0.20	1.72
Receivables considered good - unsecured *	42.07	63.96
Receivables - credit impaired	-	1.66
Total- gross	**42.27**	**67.34**
Less: Impairment loss allowance	-	(0.83)
Total- net	**42.27**	**66.51**
(ii) Other receivables		
Receivables considered good - unsecured	29.65	15.47

* Including receivables from group/subsidiaries company (refer note 44.2)

Note 7.1 Trade receivables ageing schedule (gross)

(₹ in crores)

Particulars	As at March 31, 2024					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed trade receivables – considered good	42.27	-	-	-	-	42.27
(ii)Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv)Disputed trade receivables– considered good	-	-	-	-	-	-
(v)Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	42.27	-	-	-	-	42.27

(₹ in crores)

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed trade receivables – considered good	65.56	0.03	0.09	-	-	65.68
(ii)Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed trade receivables – credit impaired	-	-	1.66	-	-	1.66
(iv)Disputed trade receivables– considered good	-	-	-	-	-	-
(v)Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed trade receivables – credit impaired	-	-	-	-	-	-
Total	65.56	0.03	1.75	-	-	67.34

Notes:

1. No trade or other receivables are due from directors or other officer of the company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships in which any director is a partner or a director or a member.

2. The Company has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.

3. Trade receivables are non-interest bearing.

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Note 8. Loans (₹ in crores)

Particulars	As at March 31, 2024 Amortised cost	At fair value through other comprehensive income (refer note 8.3)	Total
(A)			
(i) Term loans	16,777.95	723.78	17,501.73
(ii) Non convertible debentures - for financing real estate projects	340.75	-	340.75
(iii) Loans to related parties (refer note 44.2)	0.01	-	0.01
(iv) Others (dues from customers etc)	1,159.23	-	1,159.23
Total (A) - Gross	**18,277.94**	**723.78**	**19,001.72**
Less: Impairment loss allowance (including stage 3 ECL on principal 320.24 crore)	(560.68)	(14.20)	(574.88)
Total (A) - Net	**17,717.26**	**709.58**	**18,426.84**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	12,595.65	179.94	12,775.59
(ii) Secured by intangible assets	-	-	-
(iii) Covered by bank/ government guarantees	14.05	-	14.05
(iv) Unsecured	5,668.24	543.84	6,212.08
Total (B) - Gross	**18,277.94**	**723.78**	**19,001.72**
Less: Impairment loss allowance	(560.68)	(14.20)	(574.88)
Total (B) - Net	**17,717.26**	**709.58**	**18,426.84**
(C)			
(I) Loans in India			
(i) Public sector	-	-	-
(ii) Others	18,277.94	723.78	19,001.72
Total (C) (I) - Gross	**18,277.94**	**723.78**	**19,001.72**
Less: Impairment loss allowance	(560.68)	(14.20)	(574.88)
Total (C) (I) - Net	**17,717.26**	**709.58**	**18,426.84**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**17,717.26**	**709.58**	**18,426.84**

(₹ in crores)

Particulars	As at March 31, 2023 Amortised cost	At fair value through other comprehensive income (refer note 8.3)	Total
(A)			
(i) Term loans	8,710.49	4,129.91	12,840.40
(ii) Non convertible debentures - for financing real estate projects	1,207.34	-	1,207.34
(iii) Loans to related parties (refer note 44.2)	0.14	-	0.14
(iv) Others (dues from customers etc)	1,121.98	-	1,121.98
Total (A) - Gross	**11,039.95**	**4,129.91**	**15,169.86**
Less: Impairment loss allowance (including Stage 3 ECL on principal 91.64 crore)	(448.90)	(35.13)	(484.03)
Total (A) - Net	**10,591.05**	**4,094.78**	**14,685.83**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	8,880.50	3,882.62	12,763.13
(ii) Secured by intangible assets	-	-	-
(iii) Covered by bank/ government guarantees	48.06	-	48.06
(iv) Unsecured	2,111.39	247.29	2,358.68
Total (B) - Gross	**11,039.95**	**4,129.91**	**15,169.86**
Less: Impairment loss allowance	(448.90)	(35.13)	(484.03)
Total (B) - Net	**10,591.05**	**4,094.78**	**14,685.83**
(C)			-
(I) Loans in India			
(i) Public sector	-	-	-
(ii) Others	11,039.95	4,129.91	15,169.86
Total (C) (I) - Gross	**11,039.95**	**4,129.91**	**15,169.86**
Less: Impairment loss allowance	(448.90)	(35.13)	(484.03)
Total (C) (I) - Net	**10,591.05**	**4,094.78**	**14,685.83**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**10,591.05**	**4,094.78**	**14,685.83**

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 71.01 crores (P.Y ₹ 218.77 crores) in respect of which the creation of security is under process.

8.3 Loans classified under fair value through other comprehensive income relate to those available for sale in their present condition. The Company has not classified any financial asset from its gold loan portfolio under FVTOCI category as of March 31, 2024 (refer note 42).

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Note 9. Investments

(₹ in crores)

Particulars	As at March 31, 2024		
	At fair value through profit and loss	At cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	20.77	-	20.77
Security receipts	2,911.03	-	2,911.03
Government securities	5.05	-	5.05
Bonds	54.72	-	54.72
Preference shares	40.16	-	40.16
Equity instruments:			
in subsidiaries	-	2,107.81	2,107.81
in others	24.13	-	24.13
Total (A) - Gross	**3,055.86**	**2,107.81**	**5,163.67**
Less: Impairment loss allowance	(7.09)	-	(7.09)
Total (A) - Net	**3,048.77**	**2,107.81**	**5,156.58**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	3,055.86	2,107.81	5,163.67
Total (B) - Gross	**3,055.86**	**2,107.81**	**5,163.67**
Less: Impairment loss allowance	(7.09)	-	(7.09)
Total (B) - Net	**3,048.77**	**2,107.81**	**5,156.58**

(₹ in crores)

Particulars	As at March 31, 2023		
	At fair value through profit and loss	At cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	971.24	-	971.24
Security receipts	1,049.24	-	1,049.24
Government securities	5.04	-	5.04
Bonds	138.09	-	138.09
Preference shares	38.17	-	38.17
Equity instruments:			
in subsidiaries	-	1,907.81	1,907.81
Total (A) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (A) - Net	**1,871.88**	**1,907.81**	**3,779.69**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,201.78	1,907.81	4,109.59
Total (B) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (B) - Net	**1,871.88**	**1,907.81**	**3,779.69**

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Note 9.1 Investment details script wise

Particulars	As at March 31, 2024			As at March 31, 2023		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying value (₹ in crores)
Mutual funds			**0.00**			**0.00**
Nippon India Mutual Fund ETF Liquid Bees	38.72	1,000.00	0.00	36.71	1,000.00	0.00
Alternate investment funds			**20.77**			**971.24**
Phi Capital Growth Fund-I	282.01	1,00,000.00	7.60	339.12	1,00,000.00	8.59
Phi Capital Growth Fund-I.6	48.63	1,00,000.00	0.43	-	-	-
Indiareit Apartment Fund - Class B	-	-	-	11.29	1,00,000.00	0.08
IIFL One Value Fund Series B - Class B	-	-	-	47,45,23,611.28	10.00	504.77
IIFL One Value Fund Series B - Class C	50,00,000.00	10.00	5.68	36,34,64,973.29	10.00	436.88
Faering Capital Growth Fund III	17,750.00	1,000.00	1.57	15,500.00	1,000.00	1.40
IIFL Securities Capital Enhancer Fund - Class S	10,00,000.00	10.00	1.41	1,34,18,161.87	10.00	15.45
IIFL Securities Capital Enhancer Fund - Class E	1,999.90	10.00	0.00	1,999.90	10.00	0.00
IIFL One Opportunities FoF - Series 1	30,95,601.13	10.00	4.08	30,95,601.13	10.00	4.07
Security receipts			**2,911.03**			**1,049.24**
ACRE - 110 - Trust (Tranche I)	38,25,000.00	887.11	308.78	38,25,000.00	895.48	325.40
ACRE-110-Trust (Tranche II)	53,97,500.00	950.14	384.63	53,97,500.00	952.52	488.42
Arcil-SBPS-049-I- Trust	8,33,000.00	140.85	11.73	8,33,000.00	275.20	22.92
Phoenix Trust-FY23-20	21,25,000.00	886.00	188.28	21,25,000.00	1,000.00	212.50
Phoenix Trust-FY24-8	8,26,000.00	982.00	81.11	-	-	-
Phoenix Trust-FY24-14	1,30,00,000.00	1,000.00	1,300.00	-	-	-
Rare-045	5,00,000.00	1,000.00	50.00	-	-	-
Rare-068	58,65,000.00	1,000.00	586.50	-	-	-
Equity instruments (other than subsidiaries)			**24.13**			-
Swan Energy Limited	1,94,029.00	1.00	13.00	-	-	-
Suraj Estate Developers Limited	4,26,627.00	5.00	11.13	-	-	-
Government securities			**5.05**			**5.04**
07.38 % Govt. 50,000,000.00 Stock 2027	5,00,000.00	100.00	5.05	5,00,000.00	100.00	5.04
Bonds			**54.72**			**138.09**
Andhra Pradesh State Beverages Corporation Limited	163.00	2,50,000.00	4.07	200.00	2,50,000.00	5.00
Andhra Pradesh State Beverages Corporation Limited	-	-	-	1,331.00	10,00,000.00	133.09
Adani Ports And Special Economic Zone Limited	5,000.00	1,00,000.00	50.65	-	-	-
Preference Shares			**40.16**			**38.17**
Open Financial Technologies Private Limited	201.00	100.00	40.16	201.00	100.00	38.17
Equity instruments (in subsidiaries)			**2,107.81**			**1,907.81**
IIFL Home Finance Limited	2,09,67,681.00	10.00	825.48	2,09,68,181.00	10.00	825.48
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	66,55,10,372.00	10.00	1,243.93	59,07,16,057.00	10.00	1,043.93
IIFL Open Fintech Private Limited	85,91,397.00	10.00	38.40	85,91,397.00	10.00	38.40
Total Gross			**5,163.67**			**4,109.59**

Wherever amount is less than ₹ 0.01 crores,shown as ₹ 0.00

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Note 10. Other Financial Assets

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	40.37	35.39
Deposit with Exchange	0.25	0.25
Interest strip asset on assignment	637.10	803.87
Staff advances	0.06	0.17
Insurance receivable	32.98	47.30
Less: Impairment loss allowance on insurance receivable (refer note 10.1)	(32.78)	(30.21)
Other receivables	55.02	3.46
Accrued interest on investments	1.17	1.23
(Unsecured, considered doubtful)		
Other advances	5.56	5.56
Less : Impairment loss allowance on Other advances (refer note 10.2)	(5.56)	-
Security deposits	0.13	0.06
Less : Impairment loss allowance on security deposits (refer note 10.3)	(0.13)	(0.06)
Total	**734.12**	**867.02**

Note 10.1 Impairment loss allowance on Insurance Receivable:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**30.21**	**22.01**
Addition	6.85	9.79
Reduction	(4.28)	(1.59)
Closing	**32.78**	**30.21**

Note 10.2 Impairment loss allowance on Other advances:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	-	-
Addition	5.56	-
Reduction	-	-
Closing	**5.56**	-

Note 10.3 Impairment loss allowance on Security Deposits:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening	**0.06**	**0.32**
Addition	0.30	0.28
Reduction	(0.23)	(0.54)
Closing	**0.13**	**0.06**

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Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities:

(₹ in crores)

Particulars	Opening balance (as on April 01, 2023)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2024)
Deferred tax assets/(liabilities)				
Property, plant and equipment	28.83	4.02	-	32.85
Provisions, allowances for doubtful receivables / loans	125.75	24.75	-	150.50
Deduction for Provision for Doubtful debts	5.57	(12.08)	-	(6.51)
Compensated absences and retirement benefits	4.19	1.03	0.82	6.04
Income amortisation (net)	(193.74)	41.09	-	(152.65)
Expenses deductible in future years	0.49	-	-	0.49
MTM on investment and derivative financial instruments	51.24	(17.70)	-	33.54
Provision on Investment	-	1.78	-	1.78
Cash flow hedge reserve	3.44	-	1.85	5.29
Leases- Ind AS 116	6.03	(1.44)	-	4.59
Total	**31.80**	**41.45**	**2.67**	**75.92**

(₹ in crores)

Particulars	Opening balance (as on April 01, 2022)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets/(liabilities)				
Property, plant and equipment	25.18	3.65	-	28.83
Provisions, allowances for doubtful receivables / loans	143.26	(17.51)	-	125.75
Deduction for Provision for Doubtful debts	5.57	-	-	5.57
Compensated absences and retirement benefits	2.82	0.92	0.45	4.19
Income amortisation (net)	(112.53)	(81.21)	-	(193.74)
Expenses deductible in future years	0.49	-	-	0.49
MTM on investment and derivative financial instruments	75.18	(23.94)	-	51.24
Cash flow hedge reserve	10.89	-	(7.45)	3.44
Leases- Ind AS 116	7.64	(1.61)	-	6.03
Total	**158.50**	**(119.70)**	**(7.00)**	**31.80**

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Note 12. Investment Property (At Cost)

(₹ in crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2023	155.55	138.15	293.70
Additions during the year	-	-	-
Deductions/ adjustments during the year	-	-	-
As at March 31, 2024	155.55	138.15	293.70
Less : Impairment loss allowance	-	-	-
Net carrying value as at March 31, 2024	155.55	138.15	293.70
"Fair value as on March 31, 2024 (Fair value hierarchy : Level 3)"	193.40	151.65	345.05

*Distress value of above flats is ₹ 159.27 crores.

(₹ in crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2022	155.55	138.15	293.70
Additions during the year	-	-	-
Deductions/ adjustments during the year	-	-	-
As at March 31, 2023	155.55	138.15	293.70
Less : Impairment loss allowance	-	-	-
Net carrying value as at March 31, 2023	155.55	138.15	293.70
"Fair value as on March 31, 2023 (Fair value hierarchy : Level 3)"	192.15	150.65	342.80

*Distress value of above flats is ₹ 158.23 crores.

Note 12.1: Management had acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been ready to use.

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Note 13. Property, Plant and Equipment

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Building	Plant & Equipment	Computer	Total
Cost as at April 1, 2023	159.61	1.15	30.68	24.56	51.08	48.72	315.80
Additions during the year	24.77	1.94	6.78	-	8.45	14.81	56.75
Deductions/ adjustments	(14.65)	(1.15)	(3.91)	(24.55)	(2.38)	(9.13)	(55.77)
As at March 31, 2024	169.73	1.94	33.55	0.01	57.15	54.40	316.78
Depreciation							
As at April 1, 2023	82.28	1.15	12.68	8.48	29.65	33.77	168.01
Depreciation for the year	28.30	0.42	6.03	0.35	9.22	10.72	55.04
Deductions/ adjustments	(13.71)	(1.15)	(3.88)	(8.82)	(2.16)	(8.90)	(38.62)
Up to March 31, 2024	96.87	0.42	14.83	0.01	36.71	35.59	184.43
Net block as at March 31, 2024	72.86	1.52	18.72	0.00	20.44	18.81	132.35

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Building	Plant & Equipment	Computer	Total
Cost as at April 1, 2022	126.29	1.15	24.20	24.56	39.82	39.38	255.40
Additions during the year	35.57	-	6.58	-	12.41	11.45	66.01
Deductions/ adjustments	(2.25)	-	(0.10)	-	(1.15)	(2.11)	(5.61)
As at March 31, 2023	159.61	1.15	30.68	24.56	51.08	48.72	315.80
Depreciation							
As at April 1, 2022	56.76	1.14	7.80	7.06	21.00	26.82	120.58
Depreciation for the year	27.41	0.01	4.97	1.42	9.57	7.96	51.34
Deductions/ adjustments	(1.89)	-	(0.09)	-	(0.92)	(1.01)	(3.91)
Up to March 31, 2023	82.28	1.15	12.68	8.48	29.65	33.77	168.01
Net block as at March 31, 2023	77.33	0.00	18.00	16.08	21.43	14.95	147.79

Notes:

1. Debt securities (NCD) are secured by way of first pari-passu charge on immovable property.
2. The Company has not revalued any of its property, plant or equipment.

Note 14 (a). Capital-Work-in Progress (CWIP)

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	41.72	10.11	-	-	51.83
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	26.92	0.04	0.06	-	27.02
Projects temporarily suspended	-	-	-	-	-

Notes 14(a).1 : No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 14 (b). Intangible assets under development

(₹ in crores)

Name of Project	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.17	-	-	-	0.17
Projects temporarily suspended	-	-	-	-	-

(₹ in crores)

Name of Project	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.38	-	-	-	0.38
Projects temporarily suspended	-	-	-	-	-

Notes 14(b).1 : No projects were delayed for completion or had exceeded its cost compared to its original plan.

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Note 15. Leases

As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2023	**328.15**	**0.08**	**328.23**
Add/(less): Addition during the year	79.62	-	79.62
Add/(less): Deduction/Adjustment	33.80	-	33.80
Add/(less): Depreciation during the year	(77.60)	(0.07)	(77.67)
Closing Balance as at March 31, 2024	**363.97**	**0.01**	**363.98**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**297.01**	**0.24**	**297.25**
Add/(less): Addition during the year	124.03	-	124.03
Add/(less): Deduction/Adjustment	(21.43)	-	(21.43)
Add/(less): Depreciation during the year	(71.46)	(0.16)	(71.62)
Closing Balance as at March 31, 2023	**328.15**	**0.08**	**328.23**

b) Break up value of the Current and Non - Current Finance Lease Obligations:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	78.17	79.42
Non-current lease liabilities	303.96	272.80
Total	**382.13**	**352.22**

c) Movement in Finance Lease Obligations:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2023	**352.13**	**0.09**	**352.22**
Add/(less): Addition during the year	79.28	-	79.28
Add/(less): Deduction/Adjustment	32.39	-	32.39
Add/(less): Finance cost accrued during the period	31.90	0.00	31.90
Add/(less): Payment of lease liabilities	(113.58)	(0.08)	(113.66)
Closing Balance as at March 31, 2024	**382.12**	**0.01**	**382.13**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**327.35**	**0.27**	**327.62**
Add/(less): Addition during the year	121.96	-	121.96
Add/(less): Deduction/Adjustment	(24.46)	-	(24.46)
Add/(less): Finance cost accrued during the period	29.95	0.02	29.97
Add/(less): Payment of lease liabilities	(102.67)	(0.20)	(102.87)
Closing Balance as at March 31, 2023	**352.13**	**0.09**	**352.22**

d) Details regarding the contractual maturities of finance lease obligation on an undiscounted basis:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	105.49	103.11
One to two years	88.75	83.19
Two to five years	177.29	165.55
More than five years	130.98	101.13
Total	**502.51**	**452.98**

e) Rental expense recorded for short-term leases was ₹ 2.74 crore (P.Y ₹ 1.27 crore)

f) Amounts recognised in profit or loss

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	31.90	29.97
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.15	0.21
Depreciation for the year	77.67	71.62
Total	**109.72**	**101.80**

g) Amounts recognised in the statement of cash flows

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	113.66	102.87

h) The Company has not revalued any of its Right to use assets.

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Note 16. Other Intangible Assets

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2023	**10.82**
Additions during the year	3.36
Deductions /Adjustments	-
As at March 31, 2024	**14.18**
Amortisation	
As at April 1, 2023	**7.87**
Amortisation during the year	2.19
Up to March 31, 2024	**10.06**
Net block as at March 31, 2024	**4.12**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2022	**7.98**
Additions during the year	2.84
Deductions /Adjustments	-
As at March 31, 2023	**10.82**
Amortisations	
As at April 1, 2022	**6.06**
Amortisation during the year	1.81
Up to March 31, 2023	**7.87**
Net block as at March 31, 2023	**2.95**

Note 16.1: The Company has not revalued any of its intangible assets.
Note 16.2: None of the intangible assets are internally generated.

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Note 17. Other Non-financial Assets

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses*	70.14	126.14
Receivable from securitisation trust	25.00	80.00
Advances for operational expenses*	9.30	24.56
Deposits with government	1.98	1.98
GST input	18.31	11.00
Other assets	9.63	16.82
Total	**134.36**	**260.50**

* Includes foreign currency payments amounting to ₹ 0.51 crores (P.Y ₹ 9.25 crores)

Note 18. Non Current assets held for sale

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current assets held for sale	-	7.85

Note 18.1: Assets held for sale was towards a Company owned property (Building) which was sold during the current year

Note 19. Payables

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(I)Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	5.72	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	9.83	25.92
Provision for expenses	99.48	94.38
Other trade payables *	25.30	11.59
Total (I)	**140.33**	**131.89**
(II)Other payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total (II)	-	-

* Including payable to Group /Subsidiaries Company (refer note 44.2)

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Note 19.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED Act:

(₹ in crores)

Particulars	2023-24	2022-23
(a) Principal amount remaining unpaid to any supplier at the year end	5.72	-
(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 MSMED Act	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act.

Note 19.2 Trade Payables Ageing Schedule

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
As at March 31, 2024		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	5.72	-	-	-	**5.72**
(ii)Others	90.67	43.58	0.30	0.05	0.01	**134.61**
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**90.67**	**49.30**	**0.30**	**0.05**	**0.01**	**140.33**

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment				
As at March 31, 2023		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii)Others	94.38	36.95	0.55	0.00	0.01	**131.89**
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**94.38**	**36.95**	**0.55**	**0.00**	**0.01**	**131.89**

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Note 20. Debt Securities (₹ in crores)

Particulars	At Amortised Cost As at March 31, 2024	At Amortised Cost As at March 31, 2023
(i) Non Convertible Debentures - Secured*	3,374.05	5,033.29
Less : Unamortised debenture issue expenses	(27.43)	(10.75)
Less : Unexpired discount on NCD	-	(0.07)
(ii) Commercial Papers - Unsecured	850.00	-
Less : Unexpired discount on Commercial Paper	(10.98)	-
(iii) Interest accrued but not due	154.82	171.62
Total (A)	**4,340.46**	**5,194.09**
Debt securities in India	4,340.46	2,882.99
Debt securities outside India	-	2,311.10
Total (B)	**4,340.46**	**5,194.09**

* The Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

Note 20.1 - Terms of repayment

Residual Maturity	As at March 31, 2024 Rate of Interest / Yield	As at March 31, 2024 Amount (₹ in crores)	As at March 31, 2023 Rate of Interest / Yield	As at March 31, 2023 Amount (₹ in crores)
Non Convertible Debentures (Secured)				
Fixed:		**3,190.33**		**4,662.53**
More than 5 years	8.33% - 9.45%	1,005.00	8.33% - 9.45%	1,130.00
3-5 Years	8.33% - 9.00%	697.40	8.42% - 9.00%	597.00
1-3 Years	8.35% - 9.50%	1,053.40	8.50% -8.75%	276.93
Less than 1 year	8.25% - 8.50%	434.53	8.50% - 11.03%	2,658.60
Floating: ^		-		**115.00**
1-3 Years	-	-	8.25%	115.00
Zero Coupon:		**183.72**		**255.76**
3-5 Years	-	-	8.75%	27.19
1-3 Years	8.75%	26.92	8.00% -8.50%	157.27
Less than 1 year	8.00% - 9.18%	156.80	8.25%	71.30
Commercial papers - (Unsecured)				
Zero Coupon:		**850.00**		-
Less than 1 year	9.05% - 9.15%	850.00	-	-
TOTAL		**4,224.05**		**5,033.29**

^The floating rate Non Convertible Debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

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Note 20.2 - Non Convertible Debentures - Secured - Instrument Wise Details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
8.50% Secured Rated Annual Listed Redeemable Non convertible Debentttures Series D23. Date of Maturity 15/04/2024	8.50%	125.00	-
9.15% Unsecured Listed Commercial Paper. 91Days Date of Maturity 13/05/2024	9.15%	100.00	-
9.18% Unsecured Listed Commercial Paper. 91Days Date of Maturity 22/05/2024	9.18%	500.00	-
9.05% Unsecured Listed Commercial Paper. 91Days Date of Maturity 31/05/2024	9.05%	250.00	-
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024	8.50%	26.00	26.00
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024	8.25%	115.00	115.00
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	100.00	100.00
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	92.83	93.88
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	56.79	57.27
8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025	8.50%	45.63	45.63
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025	8.50%	30.07	30.07
8.35% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES I. Date Of Maturity 28/06/2025	8.35%	47.00	-
8.35% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES II. Date Of Maturity 28/06/2025	8.35%	14.24	-
8.50% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. SERIES III. Date Of Maturity 28/06/2025	8.50%	123.58	-
8.50% Secured Rated Listed Redeemable Senior Non Convertible Debentures. SERIES IV. Date Of Maturity 28/06/2025	8.50%	8.91	-
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026	8.75%	24.13	24.13
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026	8.75%	57.21	57.21
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	144.22	146.22
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	134.12	135.72
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	26.92	27.20
9.50% Secured Rated Semi Annually Listed Redeemable Senior Non Convertible Debentures. Date Of Maturity 10/03/2027	9.50%	500.00	-
9% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028	9.00%	118.93	118.93
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028	9.00%	37.86	37.86
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028	8.65%	157.24	158.27
8.65% Secured Rated Monthly Listed Senior Redeemable Non Convertible Debentures Series V Date Of Maturity 28/06/2028	8.65%	88.91	-
9.00% Secured Rated Annually Listed Senior Redeemable Non Convertible Debentures Series VI Date Of Maturity 28/06/2028	9.00%	131.94	-
9.00% Secured Rated Listed Senior Redeemable Non Convertible Debentures Series VII Date Of Maturity 28/06/2028	9.00%	37.52	-
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	500.00	500.00
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	10.00	10.00
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	60.00	60.00
9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032	9.00%	10.00	10.00
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032	9.45%	550.00	550.00
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03%	-	2,251.39
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	-	100.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	-	307.21
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	-	71.30
TOTAL		**4,224.05**	**5,033.29**

* Includes hedging cost

Note 21. Borrowings (Other than Debt securities) (₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
(A)		
(a) Term loan (refer note (a))		
(i) From banks and financial institution (refer note note (b) to (g))	10,520.48	8,148.15
(ii) From others (refer note (g))	1,250.94	1,232.55
Less : Prepaid expenses	(82.98)	(48.11)
(b) Other loans (refer note (a))		
(i) Cash credit/ overdraft	2,083.04	620.75
(ii) Securitisation liability	135.45	564.26
Less : Prepaid expenses	(1.56)	(4.16)
(c) Interest accrued but not due	61.30	13.45
Total (A)	**13,966.67**	**10,526.89**
(B)		
Borrowings in India	10,433.84	8,063.76
Borrowings outside India (refer note (b) to (g))	3,532.83	2,463.13
Total (B)	**13,966.67**	**10,526.89**

Foot notes:

(a) These loans are secured by way of a 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.

(b) During the year, Company borrowed ₹ 614.48 Crores (equivalent to US$ 75 Million) under External commercial borrowing. These are secured by way of a first ranking pari passu charge by way of hypothecation on all the borrower's charged asset in favour of the security holder in accordance with the Deed of Hypothecation.

(c) During the year, Company borrowed ₹ 410.25 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitised asset .

(d) During the year, Company borrowed ₹ 410.11 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge over all receivables/current assets of the borrower including book debts/receivables both present and future and which are "standard assets" but excluding book debt/receivables pertaining to capital market exposure and securitised assets.

(e) During the year, Company borrowed ₹ 416.68 Crores denominated in Japanese Yen (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge on all present and future standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the borrower.

(f) During the previous year, Company borrowed 395.28 crore (equivalent to USD 50 million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(g) During the previous year, Company borrowed 822.00 crore (equivalent to USD 100 million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitised asset.

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Note 21. 1 - Terms of Repayment of Term Loans

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
(i) From Banks and Financial Institution				
Floating:*		**6,868.65**		**5,080.17**
3 - 5 Years	9.18% - 10.30%	1,005.50	8.00% - 9.75%	768.39
1 - 3 Years	8.72% - 10.40%	3,386.30	8.00 % - 9.90%	2,425.14
Less than 1 year	8.72% - 10.40%	2,476.85	8.00% - 10.20%	1,886.64
Fixed:		**3,651.83**		**3,067.98**
3 - 5 Years	9.70% - 9.85%	250.00	9.70% - 9.70%	263.35
1 - 3 Years	8.45% - 9.85%	2,688.21	8.45% - 9.70%	1,395.73
Less than 1 year	8.00% - 9.85%	713.62	8.00% - 9.75%	1,408.90
(ii) From Others				
Fixed:		**1,250.94**		**1,232.55**
1 - 3 Years	9.20%	416.89	8.62%	1,232.55
Less than 1 year	8.62%	834.05	-	-
Total		**11,771.42**		**9,380.70**

* The rate of interest for the above term loans from banks is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 21. 2 - Terms of Repayment of Other Loans

Residual Maturity	As at March 31, 2024		As at March 31, 2023	
	Rate of Interest/ Yield	Amount (₹ in crores)	Rate of Interest/ Yield	Amount (₹ in crores)
Floating:				
Cash credit/ overdraft : Less than 1 year **	6.70% - 9.75%	2,083.04	6.00% - 9.75%	620.75
Securitisation liability				
Fixed:		**135.45**		**564.26**
Less than 1 year	8.42%	135.45	7.72%	564.26
Total		**2,218.50**		**1,185.01**

**The rate of interest for the above loans is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

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Note 22. Subordinated Liabilities (₹ in crores)

Particulars	At Amortised Cost As at March 31, 2024	At Amortised Cost As at March 31, 2023
(A)		
(i) Non Convertible Debentures- Unsecured*	1,608.78	1,586.17
Less: Unamortised debenture issue expenses	(14.52)	(18.20)
(ii) Interest accrued but not due	109.51	91.54
Total (A)	**1,703.77**	**1,659.51**
(B)		
Subordinated liabilities in India	1,356.15	1,312.20
Subordinated liabilities outside India	347.62	347.31
Total (B)	**1,703.77**	**1,659.51**

*Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024)(As at March 31, 2023 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024))

Note 22. 1 - Terms of Repayment

Residual Maturity	As at March 31, 2024 Rate of Interest / Yield	As at March 31, 2024 Amount (₹ in crores)	As at March 31, 2023 Rate of Interest / Yield	As at March 31, 2023 Amount (₹ in crores)
Non Convertible Debenture (Unsecured)				
Fixed		**1,484.86**		**1,462.24**
More than 5 years	9.20% - 9.65%	385.00	9.00% - 10.50%	1,326.31
3- 5 Years	8.70% - 10.50%	1,073.93	8.70%	100.00
1-3 Years	10.00%	25.93	10.00%	25.93
Less than 1 year	-	-	12.10%	10.00
Zero Coupon		**123.92**		**123.93**
More than 5 years	-	-	9.35% -10.03%	118.15
3- 5 Years	9.35% - 10.03%	118.14	-	-
1-3 Years	10.50%	5.78	10.50%	5.78
Total		**1,608.78**		**1,586.17**

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Note 22.2 - Non Convertible Debentures - Unsecured - Instrument Wise Details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2024	As at March 31, 2023
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity 06/06/2025.	10.00%	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	10.50%	5.78	5.78
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity 19/11/2027	8.70%	100.00	100.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity 24/06/2028	10.00%	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity 24/06/2028	9.60%	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity 24/06/2028	10.03%	68.14	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	325.00	325.00
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	50.00	50.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	10.00%	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 26/02/2029	10.50%	15.45	15.45
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity 24/03/2032	9.35%	50.00	50.00
9.65% Unsecured Rated Listed Subordinate Tier Ii Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032	9.65%	235.00	236.70
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032	9.45%	65.00	65.69
9.20% Unsecured Rated Listed Redeemable Subordinate Tier 2 Non Convertible Series D24 Date Of Maturity 08/05/2033	9.20%	35.00	-
12.10% Unsecured Redeemable Non Convertible Debentures. Date Of Maturity 24/05/2023	12.10%	-	10.00
TOTAL		1,608.78	1,586.17

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Note 23. Other Financial Liabilities (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable on account of assignment/securitisation	1,260.76	842.62
Temporary overdrawn bank balances	0.03	8.84
Payables towards NCD (refer note 23.1)	1.55	2.26
Unclaimed dividends (refer note 23.1)	0.32	0.46
Other payables (refer note 23.2)	33.54	41.63
Total	**1,296.20**	**895.81**

Note 23.1 During the year, ₹ 0.87 crores (P.Y ₹ 0.26 crores) was transferred to Investor Education and Protection Fund.

Note 23.2 Includes unspent amount for CSR expenses ₹ 1.61 crore (refer note no.45)

Note 24. Provisions (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Accrued Salaries & Benefits	7.49	1.49
Provision for employee benefits	6.71	38.57
Provision for leave encashment	14.09	11.04
Provision for gratuity (refer note 33.2)	9.05	1.43
ECL provision on sanctioned undisbursed loans	1.48	0.22
Total	**38.82**	**52.75**

Note 25. Other Non-Financial Liabilities (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Income received in advance	8.90	0.04
Advances from customers	59.19	70.49
Statutory remittances	22.00	22.45
Total	**90.09**	**92.98**

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Note 26: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised Share Capital		
2,35,52,50,000 Equity Shares (P.Y 2,35,52,50,000) of ₹ 2 each	471.05	471.05
50,00,00,000 Preference Shares (P.Y 50,00,00,000) of ₹ 10 each	500.00	500.00
Total	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital		
38,15,48,435 Equity Shares (P.Y 38,04,30,389) of ₹ 2 each fully paid with voting rights	76.31	76.09
Total	**76.31**	**76.09**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares				
At the beginning of the year	38,04,30,389	76.09	37,95,98,711	75.92
Add: Shares issued during the year	11,18,046	0.22	8,31,678	0.17
Outstanding at the end of the year	**38,15,48,435**	**76.31**	**38,04,30,389**	**76.09**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2.00/- per share. Each holder of the equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2024, equity shareholders were paid an interim dividend of ₹ 4.00/- (P.Y ₹ 4.00/-) per share. The same is considered as final.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	5,76,41,445	15.11%	8,46,41,445	22.25%
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	4,77,19,154	12.54%
Smallcap World Fund, Inc	2,70,53,256	7.09%	2,82,78,861	7.43%
Parajia Bharat Himatlal	1,77,20,000	4.64%	1,97,20,000	5.18%

(v) Details of Shareholding of Promoters

As at March 31, 2024			
Name of the promoter	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.51%	-0.03%
Madhu N Jain	1,20,75,000	3.16%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.88%	-0.01%
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.62%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.36%	-0.01%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.78%**	

* The change in percentage is due to dilution of Share Capital.

As at March 31, 2023			
Name of the promoter	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	-0.04%
Madhu N Jain	1,20,75,000	3.17%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust)**	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital.

**As on March 31, 2023, trustee(s) of Nirmal Madhu Family Private Trust were changed to Mansukhlal Jain and Pritesh Ashwin Mehta (from the earlier trustee(s) as on March 31, 2022 which was Harshita Jain and Mansukhlal Jain).

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

(viii) Pursuant to the Board of Directors approval dated March 13, 2024, for issue of equity shares up to by way of rights issue ("Rights Issue") for an amount not exceeding ₹ 1,500.00 crores, the Company had filed Letter of Offer on April 17, 2024. The issue opened for subscription on April 30, 2024, and closed on May 14, 2024. The SIC Committee on May 17, 2024, approved the allotment of 4,23,94,270 fully paid-up equity shares at a price of ₹ 300.00/- per equity share (including premium of ₹ 298.00/- per equity share) aggregating to ₹ 1,271.83 crores to the eligible shareholders and the same has been allotted on May 17, 2024.

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Note 26.1: Other equity (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Share application money pending allotment	**0.49**	**-**
Capital reserve	**83.89**	**83.89**
Securities premium reserve		
Opening balance	1,862.07	1,845.03
Add: Share issue expenses	-	-
Add: Addition during the year	19.20	10.97
Add/(less): Transfer to/ (from) reserves	4.39	6.07
Closing balance	**1,885.66**	**1,862.07**
General reserve		
Opening balance	510.44	509.35
Add/(less): Transfer to/ (from) reserves	(0.45)	1.09
Closing balance	**509.99**	**510.44**
Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934		
Opening balance	950.53	789.42
Add/(less): Transfer to/ (from) reserves	116.96	161.11
Closing balance	**1,067.49**	**950.53**
Capital redemption reserve	**230.11**	**230.11**
Debenture redemption reserve	**12.80**	**12.80**
Retained earnings		
Opening balance	1,390.89	898.60
Add: Profit for the year	584.78	805.49
Less: Interim dividend	(152.59)	(152.09)
Add/(less): Transfer to/ (from) reserves	(116.96)	(161.11)
Closing balance	**1,706.12**	**1,390.89**
Stock option outstanding account		
Opening balance	9.67	14.18
Add: Addition during the year	36.84	2.65
Add/(less): Transfer to/ (from) reserves	(3.94)	(7.16)
Closing balance	**42.57**	**9.67**
Effective portion of cash flow hedges		
Opening balance	(10.19)	(32.35)
Add: Other comprehensive income/ (loss)	(5.51)	22.16
Closing balance	**(15.70)**	**(10.19)**
Remeasurements of defined benefit		
Opening balance	(1.39)	(0.05)
Add: Other comprehensive income/ (loss)	(2.43)	(1.34)
Closing balance	**(3.82)**	**(1.39)**
Total	**5,519.60**	**5,038.82**

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(₹ in crores)

Note 27.1 Interest Income

Particulars	FY 2023-24				FY 2022-23			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans (refer note 8.3)	3,756.37	-	482.19	4,238.56	2,781.99	-	563.48	3,345.47
Interest on investments	-	18.44	-	18.44	-	32.37	-	32.37
Interest on deposits with banks	80.79	-	-	80.79	80.94	-	-	80.94
Interest on inter corporate deposit	10.55	-	-	10.55	9.64	-	-	9.64
Total	**3,847.71**	**18.44**	**482.19**	**4,348.34**	**2,872.57**	**32.37**	**563.48**	**3,468.42**

Note 27.2 Dividend Income

The Company received dividend income amounting to ₹ 132.02 crore (P.Y ₹ 87.58 crore). Dividend received from subsidiary companies ₹ 131.96 crore (P.Y ₹ 87.58 crore)

Note 28. Net Gain/ (Loss) on Fair Value Changes

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	(226.16)	91.82
Total net gain/(loss) on fair value changes	**(226.16)**	**91.82**
Fair value changes		
- Realised	38.61	29.74
- Unrealised	(264.77)	62.08
Total net gain/(loss) on fair value changes	**(226.16)**	**91.82**

Note 29. Other Income

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Interest on income tax refund	0.79	25.53
Marketing, advertisement and support service fees	25.43	1.47
Profit on sale of fixed assets	18.15	3.08
Miscellaneous income	0.63	-
Total	**45.00**	**30.08**

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Note 30. Finance Costs

(₹ in crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2023-24	FY 2022-23
Interest on debt securities*	337.40	406.39
Interest on borrowings other than debt securities*	1,076.52	803.55
Interest on subordinated liabilites*	156.04	144.00
Interest on inter corporate deposit	28.61	1.07
Interest expense on lease - INDAS 116	31.90	29.96
Other borrowing cost *	86.74	70.99
Total	**1,717.21**	**1,455.96**

* Includes foreign currency expenditure on accrual basis amounting to ₹ 401.72 crore (P.Y ₹ 427.48 crore)

Note 31. Net (Gain)/ Loss on Derecognition of Financial Instruments under FVTOCI Category

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Interest strip on assignment of loans	166.77	(348.06)
Total	**166.77**	**(348.06)**

Note 32. Impairment on Financial Instruments

(₹ in crores)

Particulars	FY 2023-24			FY 2022-23		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	71.16	20.94	92.10	(67.85)	(12.46)	(80.31)
Bad debts written off (net)	279.32	-	279.32	355.15	-	355.15
Other financial assets	7.29	-	7.29	10.69	-	10.69
Total	**357.77**	**20.94**	**378.71**	**297.99**	**(12.46)**	**285.53**

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Note 33. Employee Benefit Expenses

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Salaries	611.64	602.65
Contribution to provident and other funds (refer note 33.1)	34.60	35.26
Leave encashment	6.62	4.83
Gratuity (refer note 33.2)	4.38	3.92
Staff welfare expenses	30.63	23.58
Share based payments	35.42	2.14
Total	**723.29**	**672.38**

33.1 Defined contribution plans

The Company has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Contribution to Provident fund	13.85	13.25
Contribution to Employee State Insurance Corporation	3.17	3.68
Contribution to Labour welfare fund	0.09	0.09
Contribution to employee pension scheme	16.92	17.89
Contribution to National Pension Scheme	0.57	0.35
Total	**34.60**	**35.26**

33.2 Gratuity disclosure statement

Particulars	FY 2023-24	FY 2022-23
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 period	01-Apr-23	01-Apr-22
Date of reporting	31-Mar-24	31-Mar-23
Period of reporting	12 Months	12 Months

Assumptions (current year)		
Expected return on plan assets	7.19%	7.44%
Rate of discounting	7.19%	7.44%
Rate of salary increase	6.00%	6.00%
Rate of employee turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Mortality rate after employment	N.A.	N.A.

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(₹ in crores)

Table showing change in the present value of projected benefit obligation	FY 2023-24	FY 2022-23
Present value of benefit obligation at the beginning of the year	20.49	16.71
Interest cost	1.52	1.16
Current service cost	4.27	3.97
Past service cost	-	-
Liability transferred in/ acquisitions	0.04	0.07
(Liability transferred out/ divestments)	(0.04)	(0.11)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	(3.84)	(2.77)
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.90	(1.42)
Actuarial (gains)/losses on obligations - due to experience	2.96	2.88
Present value of benefit obligation at the end of the year	26.29	20.49

(₹ in crores)

Table showing change in the Fair Value of Plan Assets	FY 2023-24	FY 2022-23
Fair value of plan assets at the beginning of the year	19.06	17.78
Interest income	1.42	1.24
Contributions by the employer	-	3.14
Expected contributions by the employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets transferred out/ divestments)	-	-
(Benefit paid from the fund)	(3.84)	(2.77)
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	0.60	(0.32)
Fair value of plan assets at the end of the year	17.24	19.06

(₹ in crores)

Actual Return on Plan Assets	FY 2023-24	FY 2022-23
Interest Income	1.42	1.24
Return on Plan Assets, Excluding Interest Income	0.60	(0.32)
Actual Return on Plan Assets	2.02	0.92

(₹ in crores)

Amount recognised in the Balance Sheet	FY 2023-24	FY 2022-23
(Present value of benefit obligation at the end of the year)	(26.29)	(20.49)
Fair value of plan assets at the end of the year	17.24	19.06
Funded status (surplus/ (deficit))	(9.05)	(1.43)
Net (liability)/asset recognised in the Balance Sheet	(9.05)	(1.43)

(₹ in crores)

Net interest cost for current year	FY 2023-24	FY 2022-23
Present value of benefit obligation at the beginning of the year	20.49	16.71
(Fair value of plan assets at the beginning of the year)	(19.06)	(17.78)
Net liability/(asset) at the beginning	1.43	(1.07)
Interest cost	1.52	1.16
(Interest income)	(1.42)	(1.24)
Net interest cost for current year	0.11	(0.07)

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(₹ in crores)

Expenses recognised in the Statement of Profit or Loss for current year	FY 2023-24	FY 2022-23
Current service cost	4.27	3.97
Net interest cost	0.11	(0.07)
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognised	4.38	3.90

(₹ in crores)

Expenses recognised in OCI for current year	FY 2023-24	FY 2022-23
Actuarial (gains)/ losses on obligation for the year	3.85	1.47
Return on plan assets, excluding interest income	(0.60)	0.32
Change in asset ceiling	-	-
Net (income)/ expense for the year recognised in OCI	3.25	1.79

(₹ in crores)

Balance Sheet reconciliation	FY 2023-24	FY 2022-23
Opening net liability	1.43	(1.07)
Expenses recognised in Statement of Profit or Loss	4.38	3.90
Expenses recognised in OCI	3.25	1.79
Net liability/(asset) transfer in	0.04	0.07
Net (liability)/asset transfer out	(0.04)	(0.11)
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	(3.14)
Net liability/(asset) recognised in the Balance Sheet	9.05	1.43

(₹ in crores)

Category of Assets	FY 2023-24	FY 2022-23
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	17.24	19.06
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**17.24**	**19.06**

(₹ in crores)

Expenses recognised in the Statement of Profit or Loss for next year	FY 2023-24	FY 2022-23
Current service cost	5.25	4.27
Net interest cost	0.65	0.11
(Expected contributions by the employees)	-	-
Expenses recognised	5.90	4.38

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(₹ in crores)

Maturity analysis of the benefit payments: From the Fund	FY 2023-24	FY 2022-23
Projected benefits payable in future years from the date of reporting		
1st following year	3.23	2.67
2nd following year	0.55	0.47
3rd following year	0.62	0.51
4th following year	0.92	0.56
5th following year	0.80	0.82
Sum of years 6 To 10	5.46	4.37
Sum of years 11 and above	80.38	64.24

(₹ in crores)

Sensitivity analysis	FY 2023-24	FY 2022-23
Defined Benefit Obligation on Current Assumptions	26.29	20.49
Delta effect of +1% change in rate of discounting	(3.47)	(2.66)
Delta effect of -1% change in rate of discounting	3.81	2.87
Delta effect of +1% change in rate of salary increase	4.12	3.10
Delta effect of -1% change in rate of salary increase	(3.40)	(2.55)
Delta effect of +1% change in rate of employee turnover	0.36	0.37
Delta effect of -1% change in rate of employee turnover	(0.45)	(0.46)

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 defined 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 defined 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.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Expected Rate of Return taken same as discount rate as described in Indian Accounting Standard 19.

Expected Contribution in the next year is considered as the sum of net liability/assets at the end of the current year and current service cost for next year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules.

Value of asset is considered as fair value of plan asset for the period of reporting.

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Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. During the year, there were no plan amendments, curtailments and settlements.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. The trust is guided by rule 103 of Income Tax Rules, 1962.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance entity and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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Note 34. Depreciation, amortisation and impairment

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Depreciation on property, plant and equipment	55.04	51.34
Depreciation on right to use assets	77.67	71.62
Amortisation on other intangible assets	2.19	1.81
Total	**134.90**	**124.77**

Note 35. Other Expenses

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses*	136.50	62.39
Direct operating expenses	70.06	100.76
Bank charges	0.97	3.62
Commission to non whole-time directors	0.84	0.32
Communication costs	7.94	8.07
Electricity	18.59	18.03
Exchange and statutory charges	2.20	2.48
Legal & professional fees*	109.80	101.84
Directors sitting fees	1.50	1.11
Office expenses	10.76	11.16
Postage & courier	3.51	3.56
Printing & stationary	3.33	4.31
Rates & taxes	2.77	1.16
Rent	10.69	2.91
Repairs & maintenance		
- Computer	1.07	1.66
- Others*	11.32	13.16
Remuneration to auditors		
- Audit fees	0.62	0.55
- Certification / other services **	0.33	0.35
- Out of pocket expenses	0.03	0.04
Software charges*	33.57	19.03
Subscription	-	-
Travelling & conveyance*	22.37	22.31
Corporate social responsibility expenses (refer note 45)	10.91	8.70
Miscellaneous expenses*	1.26	0.53
Insurance premium	14.03	14.46
Security expenses	97.44	104.82
Total	**572.41**	**507.33**

*Includes below expenses incurred in foreign currency on accrual basis

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Advertisement and marketing expenses	6.89	0.19
Legal & Professional Fees	0.12	0.26
Repairs & Maintenance: Others	-	0.00
Software charges	1.61	0.14
Travelling & conveyance	0.05	0.21
Miscellaneous expenses	0.06	0.05

** During the year the Company has paid ₹ 0.27 crore (P.Y ₹ 0.25 crore) to the auditors towards certification required for Public Issue of Non Convertible Debentures and the same has been amortised over the tenure of the borrowings.

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Note 36. Income Taxes

(₹ in crores)

Amounts recognised in statement of profit or loss	FY 2023-24	FY 2022-23
Current tax expense		
Current year	188.91	117.53
Changes in estimates related to prior years	(2.26)	-
Deferred tax expense		
Origination and reversal of temporary differences	(41.45)	119.70
Total	**145.20**	**237.23**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2023-24			FY 2022-23		
	Amount	Tax expense	Net of tax	Amount	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(3.25)	0.82	(2.43)	(1.79)	0.45	(1.34)
Cash flow hedge reserve	(7.36)	1.85	(5.51)	29.61	(7.45)	22.16
	(10.61)	**2.67**	**(7.94)**	**27.82**	**(7.00)**	**20.82**

(₹ in crores)

Reconciliation of income tax expense of the year to accounting year	FY 2023-24	FY 2022-23
Profit before tax	**729.98**	**1,042.72**
Tax using the Company's domestic tax rate (25.17%)	183.72	262.43
Tax effect of:		
Non-deductible expenses	2.86	2.77
Tax-exempt income- Others (includes deduction under section 80JJAA)	(5.81)	(5.81)
Tax-exempt income- Dividend	(33.23)	(22.04)
Income taxed at different rates	(0.30)	(0.82)
Adjustments for current tax for prior periods	(2.26)	-
De-Recognition of previously recognised deductible temporary differences	0.22	0.70
Total income tax expense	**145.20**	**237.23**
Effective tax rate	**19.89%**	**22.75%**

Note 37. Earnings Per Share

Basic and Diluted Earnings Per Share ("EPS") computed in accordance with INDAS 33 "Earnings per share"

Particulars		FY 2023-24	FY 2022-23
Face value of equity shares (in ₹) fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss (₹ in crores) for calculating Basic EPS		584.78	805.49
Profit after tax attributable to equity share holders (₹ in crores)	A	584.78	805.49
Weighted average number of equity shares outstanding	B	38,10,07,838	37,98,80,425
Basic EPS (In ₹)	**A/B**	**15.35**	**21.20**
DILUTED			
Profit after tax attributable to equity share holders (₹ in crores) for calculating Diluted EPS	C	584.78	805.49
Weighted average number of equity shares for computation of basic EPS		38,10,07,838	37,98,80,425
Add: Potential equity shares on account conversion of Employees Stock Options		48,24,533	30,15,015
Weighted average number of equity shares for computation of diluted EPS	D	38,58,32,371	38,28,95,439
Diluted EPS (In ₹)	**C/D**	**15.16**	**21.04**

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Note 38. Risk Management

The Company's activities expose it to market risk, liquidity risk and credit 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. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross stage 3 assets and net stage 3 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. 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 Structure

The Company has established multi-level risk governance for monitoring and 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 Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line 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 and 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.

Risk Management Practices

The Company has developed the necessary competency to identify early stress signals and has also 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.

It has initiated a detailed 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 standardise credit underwriting and improve sourcing quality in the long run.

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 RMC at periodic intervals.

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 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.

Note: 38A.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 loans, trade receivables, investments, derivative financial instruments, and other receivables.

Credit Quality Analysis

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

(₹ in crores)

Particulars	As at March 31, 2024				
	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 using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	863.92	863.92
Bank balance other than above	-	-	-	966.58	966.58
Receivables					
(i) Trade receivables	-	-	-	42.27	42.27
(ii) Other receivables	-	-	-	29.65	29.65
Loans*	15,930.36	1,297.91	653.24	-	17,881.50
Investments**	-	-	-	2,107.81	2,107.81
Other Financial assets	-	-	-	772.58	772.58

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

(₹ 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 using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	1,763.87	1,763.87
Bank balance other than above	-	-	-	1,407.07	1,407.07
Receivables					
(i) Trade receivables	-	-	1.66	65.68	67.34
(ii) Other receivables	-	-	-	15.47	15.47
Loans*	9,519.40	728.11	181.33	-	10,428.83
Investments**	-	-	-	1,907.81	1,907.81
Other Financial assets	-	-	-	897.29	897.29

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

Financial Assets Measured Using Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, trade receivables, other receivables 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.

38A.2. Collateral Held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

38A.3. Loss Allowance and Exposure At Default

The following table shows movement of the loss allowance on loans and advances:

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-23	**331.14**	**43.02**	**16.30**	**2.15**	**91.64**	-	**439.08**	**45.17**
New loans disbursed during the year	139.45	18.34	16.93	7.62	163.15	-	319.53	25.96
Loans closed/ written off during the year	(212.89)	(37.76)	(9.49)	(1.77)	(73.21)	-	(295.59)	(39.53)
Movement in provision without change in asset staging	(51.76)	1.54	(1.23)	0.12	1.53	-	(51.46)	1.66
Movement in provision due to change in asset staging	(17.92)	(1.18)	10.32	3.18	137.13	-	129.53	2.00
Closing ECL Mar-24	**188.02**	**23.96**	**32.83**	**11.30**	**320.24**	-	**541.09**	**35.26**

* As at date, The Company has a management overlay of ₹ 108.80 crores included in total ECL provision.

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-22	**300.60**	**51.64**	**48.65**	**3.52**	**160.15**	-	**509.40**	**55.16**
New loans disbursed during the year	164.50	11.30	5.91	1.41	37.53	-	**207.94**	**12.71**
Loans closed/ written off during the year	(126.36)	(31.70)	(35.68)	(2.84)	(149.00)	-	**(311.04)**	**(34.54)**
Movement in provision without change in asset staging	5.87	12.68	(3.46)	(0.15)	0.71	-	**3.12**	**12.53**
Movement in provision due to change in asset staging	(13.47)	(0.90)	0.88	0.21	42.25	-	**29.66**	**(0.69)**
Closing ECL Mar-23	**331.14**	**43.02**	**16.30**	**2.15**	**91.64**	-	**439.08**	**45.17**

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The following table shows movement of the Exposure At Default ("EAD")

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2023	**13,174.92**	**515.00**	**691.64**	**36.48**	**181.32**	-	**14,047.88**	**551.48**
New loans disbursed during the year	12,828.57	728.86	707.82	113.73	369.66	-	13,906.05	842.59
Loans closed/ written off during the year	(7,327.69)	(333.64)	(534.00)	(31.80)	(144.58)	-	(8,006.27)	(365.44)
Movement in EAD without change in asset staging	(1,725.12)	72.77	(20.30)	1.15	(0.72)	-	(1,746.14)	73.92
Movement in EAD due to change in asset staging	(901.53)	(22.15)	294.84	38.34	247.54	-	(359.15)	16.19
Closing EAD Mar-2024	**16,049.17**	**960.84**	**1,140.00**	**157.90**	**653.22**	-	**17,842.37**	**1,118.74**

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2022	**11,511.13**	**1,287.06**	**747.50**	**56.98**	**366.44**	-	**12,625.07**	**1,344.05**
New loans disbursed during the year	10,061.98	189.98	420.56	26.02	94.01	-	10,576.54	216.01
Loans closed/written off during the year	(6,930.03)	(456.40)	(553.19)	(26.66)	(344.74)	-	(7,827.96)	(483.06)
Movement in EAD without change in asset staging	(1,108.32)	(473.45)	(40.37)	(24.77)	(2.77)	-	(1,151.46)	(498.23)
Movement in EAD due to change in asset staging	(359.84)	(32.19)	117.15	4.91	68.38	-	(174.30)	(27.28)
Closing EAD Mar-2023	**13,174.92**	**515.00**	**691.64**	**36.48**	**181.32**	-	**14,047.88**	**551.48**

38A.4. Write Off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is ₹ 279.32 crore (P.Y ₹ 355.15 crore)

38A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when 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 carrying amount of modification gain/ loss based on discounted cash flow basis in the below table:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount of modification (gain)/ loss as on date for the modified financial assets	3.77	5.66

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38A.6. Credit Risk Grading of Loans

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.

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 on a periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below:

Credit Grading Details

(₹ in crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2024	17,010.01	1,297.90	653.22	18,961.13
March 31, 2023	13,689.92	728.12	181.32	14,599.36

38A.7. Concentration 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 various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

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38B 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 marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) framework with an appropriate 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 (including financial guarantee) 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
Derivative financial instruments	30.92	3.56	-	-	27.36	-	-
Trade payables	140.33	140.33	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation*	502.51	28.38	26.98	50.13	162.55	103.49	130.98
Debt securities	4,340.46	1,008.81	283.43	276.03	1,063.18	704.02	1,004.99
Borrowings (other than debt securities)	13,966.67	836.50	1,559.98	2,373.65	7,845.15	1,351.39	-
Subordinated liabilities	1,703.77	79.61	15.53	5.71	35.05	1,197.39	370.48
Other financial liabilities	1,296.20	1,284.46	1.61	-	10.13	-	-
Financial guarantee contracts	410.32	410.32	-	-	-	-	-
Total	**22,391.18**	**3,791.97**	**1,887.53**	**2,705.52**	**9,143.42**	**3,356.29**	**1,506.45**

* The amount represent undiscounted cash flows

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) 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
Derivative financial instruments	33.14	28.40	0.96	-	3.78	-	-
Trade payables	131.89	130.20	0.47	0.65	0.56	0.01	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation*	452.97	26.86	26.34	49.91	149.56	99.17	101.13
Debt securities	5,194.09	2,425.16	11.03	433.91	565.59	628.40	1,130.00
Borrowings (other than debt securities)	10,526.89	1,456.02	801.20	1,562.44	5,548.97	1,158.26	-
Subordinated liabilities	1,659.51	40.40	13.80	4.93	34.18	100.00	1,466.20
Other financial liabilities	895.81	884.72	0.21	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**19,479.24**	**5,576.70**	**854.01**	**2,059.25**	**6,306.11**	**1,985.84**	**2,697.33**

* The amount represent undiscounted cash flows

Note : Borrowings includes cash credit facilities which has been shown in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

(ii) Change in liabilities arising from financing activities as per IND AS 7 "Statement of casflow":

(₹ in crores)

Particulars	As at March 31, 2023	Cash flows	Others*	As at March 31, 2024
Debt Securities (Including subordinated libilities)	6,853.60	(466.63)	(342.74)	6,044.23
Borrowings (Other than debt securities)	10,526.89	3,424.21	15.57	13,966.67
Total Liabilities from Financial Activities	**17,380.49**	**2,957.58**	**(327.17)**	**20,010.90**

(₹ in crores)

Particulars	As at March 31, 2022	Cash flows	Others*	As at March 31, 2023
Debt Securities (Including subordinated libilities)	6474.92	107.24	271.44	6,853.60
Borrowings (Other than debt securities)	9771.07	767.11	(11.29)	10,526.89
Total Liabilities from Financial Activities	**16,245.99**	**874.35**	**260.15**	**17,380.49**

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, and exchange differences.

(iii) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	354.86	719.65
- Expiring beyond one year (bank loans)	-	-

38C Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument.

38C.1 Interest Rate Risk

The exposure of the Company's borrowing and loans to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowings	8,951.69	5,815.93
Fixed rate borrowings	10,871.05	11,369.25
Total borrowings	**19,822.74**	**17,185.18**

The Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.43%	8,951.69	45.16%	9.19%	5,815.93	33.84%
Net exposure to cash flow interest rate risk		**8,951.69**			**5,815.93**	

Sensitivity

(i) Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates (assuming other variables constant):

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	(33.49)	(21.76)	-	-
Interest rates – decrease by 50 basis points	33.49	21.76	-	-

(ii) The Company does not have any outstanding variable rate loans given and hence there is no impact on Profit & loss account due to any such change.

38C.2. 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 primarily to the foreign currency borrowings taken from Financial Institutions, External Commercial Borrowings (ECB) and foreign bond markets.

(i) The Company has hedged its foreign currency exposure through Forwards/ Future 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 profitability. However for the unhedged foreign currency exposure(s) there would be an impact on Company's profitability.

As at March 31, 2024

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)	157.69	-	-	-	-	-
Foreign currency liabilities (in INR)	10.93	-	-	19.99	-	-
Net Assets/(Liabilities)	**146.76**	-	-	**(19.99)**	-	-

As at March 31, 2023

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)	172.37	-	-	-	-	-
Foreign currency liabilities (in INR)	33.14	-	-	-	-	-
Net Assets/(Liabilities)	**139.23**	-	-	-	-	-

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(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD sensitivity*				
INR/ USD - increase by 5%	(15.41)	-	(143.79)	(182.45)
INR/ USD - decrease by 5%	15.41	-	143.79	182.45

* Holding all other variables constant,the sensitivity on profit and loss is due to the timing differences of the maturity of the forward exchange contract. On the date of maturity of the forward exchange contract, the sensitivity of profit and loss to changes in the exchange rates will be nil.

38C.3. Price Risk

(i) Exposure

The Company's exposure to assets having price risk is as under (Net)

(₹ in crores)

Particulars	Equity Shares (Other than Subsidiary)	Preference share	Mutual Funds / Alternate investment funds/ Others	Bonds/ Govt. Securities	Security Receipts	Total
Market value as on March 31, 2024	24.13	40.16	13.68	59.77	2,911.03	**3,048.76**
Market value as on March 31, 2023	-	38.17	971.24	143.13	719.33	**1,871.87**

To manage its price risk arising from investments in equity shares/ other assets, the Company diversifies its portfolio.

(ii) Sensitivity

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Increase 5%	114.07	70.04	-	-
Decrease 5%	(114.07)	(70.04)	-	-

38D.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 capital adequacy ratio as prescribed by the Reserve Bank Of India.

38E. Fair Values of Financial Instruments

Financial Instruments by Category (₹ in crores)

Particulars	As at March 31, 2024 Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	863.92
Bank Balance other than above	-	-	966.58
Derivative financial instruments	-	157.69	-
Receivables			
(i) Trade receivables	-	-	42.27
(ii) Other receivables	-	-	29.65
Loans	-	709.58	17,717.26
Investments	3,048.77	-	2,107.81
Other financial assets	-	-	734.12
Total financial assets	**3,048.77**	**867.27**	**22,461.61**
Financial liabilities			
Derivative financial instruments	-	30.92	-
Trade payables	-	-	140.33
Other payables	-	-	-
Finance lease obligation	-	-	382.13
Debt securities	-	-	4,340.46
Borrowings (other than debt securities)	-	-	13,966.67
Subordinated liabilities	-	-	1,703.77
Other financial liabilities	-	-	1,296.20
Total financial liabilities	**-**	**30.92**	**21,829.56**

(₹ in crores)

Particulars	As at March 31, 2023 Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	1,763.87
Bank Balance other than above	-	-	1,407.07
Derivative financial instruments	-	172.37	-
Receivables			
(i) Trade receivables	-	-	66.51
(ii) Other receivables	-	-	15.47
Loans	-	4,094.78	10,591.05
Investments	1,871.88	-	1,907.81
Other financial assets	-	-	867.02
Total financial assets	**1,871.88**	**4,267.15**	**16,618.80**
Financial liabilities			
Derivative financial instruments	-	33.14	-
Trade payables	-	-	131.89
Other payables	-	-	-
Finance lease obligation	-	-	352.22
Debt securities	-	-	5,194.09
Borrowings (other than debt securities)	-	-	10,526.89
Subordinated liabilities	-	-	1,659.51
Other financial liabilities	-	-	895.81
Total financial liabilities	**-**	**33.14**	**18,760.41**

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38E. 1. Financial Instruments Measured At Fair Value – Fair Value Hierarchy

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.

38E.2. Valuation Methodologies Of Financial Instruments Measured At Fair Value

- Quoted equity/ debt instruments are measured based on the closing price in the recognised stock exchange and are classified as level 1.
- Quoted Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Alternate Investment Funds and unquoted Mutual Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
- Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
- Government Securities are valued based on the closing price published by FBIL and are classified as level 2.
- Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
- Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
- Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
- Security receipts are measured as Level 3 basis rating given by independent Rating agencies to the Asset Reconstruction Companies on this secuity receipts.

(₹ 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	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	157.69	-	157.69	157.69
Loans - classified under FVTOCI	-	-	709.58	709.58	709.58
Investments	**24.13**	**99.93**	**2,924.71**	**3,048.77**	**3,048.77**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	13.68	13.68	13.68
(ii) Security receipts (Net)	-	-	2,911.03	2,911.03	2,911.03
(iii) Debt securities	-	*54.72*	-	*54.72*	*54.72*
(iv) Govt. Securities	-	*5.05*	-	*5.05*	*5.05*
(v) Preference shares	-	*40.16*	-	*40.16*	*40.16*
(vi) Equity shares (other than subsidiaries)	*24.13*	-	-	*24.13*	*24.13*
Total financial assets	**24.13**	**257.62**	**3,634.29**	**3,916.04**	**3,916.04**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	30.92	-	30.92	30.92
Total financial liabilities	-	**30.92**	-	**30.92**	**30.92**

(₹ 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	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	172.37	-	172.37	172.37
Loans - classified under FVTOCI	-	-	4,094.78	4,094.78	4,094.78
Investments	**0.00**	**181.30**	**1,690.58**	**1,871.88**	**1,871.88**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	971.24	971.24	971.24
(ii) Security receipts (Net)	-	-	719.34	*719.34*	*719.34*
(iii) Debt securities	-	*138.09*	-	*138.09*	*138.09*
(iv) Govt. Securities	-	*5.04*	-	*5.04*	*5.04*
(v) Preference shares	-	*38.17*	-	*38.17*	*38.17*
(vi) Equity shares (other than subsidiaries)	-	-	-	-	-
Total financial assets	**0.00**	**353.67**	**5,785.36**	**6,139.03**	**6,139.03**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	33.14	-	33.14	33.14
Total financial liabilities	-	**33.14**	-	**33.14**	**33.14**

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38E.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.

Short-Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents,other financial assets and other financial liabilities and trade payables.

Loans, Debts, Borrowings And Subordinated Debts

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 identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity or original maturity less than one year, the carrying value has been considered as fair value. Fair values of Loans and advances are presented net of provisions for impairment.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at March 31, 2024**	Total Fair value	Carrying value	Valuation hierarchy
Financial assets			
Cash and cash equivalents	863.92	863.92	-
Bank Balance other than included above	966.58	966.58	-
Receivables			
(i) Trade receivables	42.27	42.27	-
(ii) Other receivables	29.65	29.65	-
Loans	17,806.87	17,717.26	Level 3
Investment in subsidiary*	2,107.81	2,107.81	-
Other financial assets	734.12	734.12	-
Total financial assets	**22,551.22**	**22,461.61**	
Financial Liabilities			
Trade payables	134.61	134.61	-
Other payables	-	-	-
Debt securities	4,248.80	4,340.46	Level 3
Borrowings (other than debt securities)	13,966.67	13,966.67	Level 3
Subordinated liabilities	1,724.06	1,703.77	Level 3
Other financial liabilities	1,296.20	1,296.20	-
Total financial liabilities	**21,370.34**	**21,441.71**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **As at March 31, 2023**	Total Fair value	Carrying value	Valuation hierarchy
Financial assets			
Cash and cash equivalents	1,763.87	1,763.87	-
Bank Balance other than included above	1,407.07	1,407.07	-
Receivables			
(i) Trade receivables	66.51	66.51	-
(ii) Other receivables	15.47	15.47	-
Loans	10,402.97	10,591.05	Level 3
Investment in subsidiary*	1,907.81	1,907.81	-
Other financial assets	867.02	867.02	-
Total financial assets	**16,430.72**	**16,618.80**	
Financial Liabilities			
Trade payables	131.89	131.89	-
Other payables	-	-	-
Debt securities**	4,904.93	5,194.09	Level 3
Borrowings (other than debt securities)	10,526.89	10,526.89	Level 3
Subordinated liabilities	1,690.23	1,659.51	Level 3
Other financial liabilities	895.81	895.81	-
Total financial liabilities	**18,149.75**	**18,408.19**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed

** For Secured Medium Term Notes book value has been considered as fair value.

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38.E.4 Movements In Level 3 Financial Instruments Measured At Fair Value :

The following tables shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2023	**4,094.78**	**971.24**	**719.33**
Issuances	5,644.11	31.74	2,019.10
Sale/Redemption of financial instrument classified as level 3 at the beginning of the financial year	(9,029.31)	(839.94)	(41.38)
Total gain/ (loss) recognised in profit and loss	-	(149.36)	213.98
Balances as at March 31, 2024	**709.58**	**13.68**	**2,911.03**
Unrealised gain /(loss) related to balances held at the end of financial year	-	(1.15)	-

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2022	**2,777.06**	**955.22**	**83.30**
Purchases	-	-	
Issuances	11,380.87	79.82	753.33
Settlements	-	-	
Sale/Redemption of financial instrument classified as level 3 at the beginning of the financial year	(10,063.15)	(143.44)	(95.39)
Total gain/ (loss) recognised in profit and loss	-	79.64	(21.91)
Balances as at March 31, 2023	**4,094.78**	**971.24**	**719.33**
Unrealised gain/ losses related to balances held at the end of financial year	-	148.21	(21.91)

38F. Transferred Financial Assets That Are Derecognised In Their Entirety

During the year, the Company sold loans measured at FVTOCI through assignment deals. The Company derognised the assets as per IND AS 109 as all the risks and rewards relating to assets were transferred to the buyer.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/ (loss) on derecognition, per type of asset.

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Financial assets derecognised during the year	9,029.31	10,063.15
Net gain/ (loss) on derecognition of financial instruments under FVTOCI category	(166.77)	348.06

38G. Transferred Financial Assets That Are Recognised In Their Entirety:

The Company uses securitisation 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)

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortised cost	135.45	564.26
Carrying amount of associated liabilities	135.45	564.26
Fair value of assets	135.45	564.26
Fair value of associated liabilities	135.45	564.26
Net position at Fair value	0.00	(0.00)

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Note 39. Capital, Other Commitments And Contingent Liabilities At Balance Sheet Date:

Contingent Liabilities:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claim against the Company not acknowledged as debt:		
In respect of Income tax demands (refer note (a) and (b))	68.95	72.23
In respect of GST/Service tax demands (including interest accrued and refer note (c))	69.50	65.65
In respect of Profession tax demands (refer note (d))	0.16	0.16
In respect of Stamp Duty (refer note (f))	16.66	16.66
In respect of Legal cases	15.58	0.98
Bank Guarantee:		
In respect of Bank guarantees given (refer note (e))	410.32	584.94

(a) The Company has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is ₹ 76.32 crores (P.Y ₹ 68.89 crores).

(c) Amount paid under protest with respect to service tax demand ₹ 1.55 crores (P.Y ₹ 1.89 crores) and with respect to GST demand.

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 crores (P.Y ₹ 0.05 crores).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Company had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Company has appealed against the same and paid ₹ 8.34 crores under protest towards its share of the liability and shown ₹ 16.66 crores as Contingent.The matter is pending before the court.

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

Commitments Not Provided For:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments related to loans sanctioned but undrawn	427.84	40.66
Estimated amount of contracts remaining to be executed on capital account	25.06	18.36
Commitments related to Alternate Investment Funds	12.88	9.77

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Note 40. Employee Stock Option

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2024 ESOP 2008	As at March 2023 ESOP 2008
Number of Option outstanding	40,80,321	9,36,947
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven/Five years from the date of grant	
Grant Date	06-May-2021, 20-Aug-2021, 22-Dec-2021, 26-Aug 2022, 15-Oct 2022, 04- Aug 2023, 05- Jan 2024	08-Mar-2016, 29-Apr-2017, 06-May-2021, 20-Aug-2021, 22-Dec-2021, 26- Aug 2022, 15-Oct 2022.
Grant Price (₹ Per Share)	₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350, ₹ 10, ₹625	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Granted during the year	35,00,000	10.00-625.00	97.86	-
Expired/forfeited during the year	2,31,402	10.00-341.65	146.95	-
Exercised during the year	1,25,224	218.71-341.65	278.16	-
Outstanding as on March 31, 2024	**40,80,321**	**10.00-625.00**	**130.21**	**6.07**
Exercisable as on March 31, 2024	**1,10,240**	**252.00-350.00**	**263.42**	**4.39**

b) (ii) Movement of options during year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

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IIFL FINANCE LIMITED *

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	05-Jan-24	04-Aug-23	15-Oct-22	26-Aug-22
Stock price (₹)	641.65	575.5	350.00	341.65
Volatility	10.00%	52.22%	10.00%	10.00%
Risk-free Rate	7.00%	7.04%	7.37%	7.02%
Exercise price (₹)	625.00	10.00	350.00	341.65
Time to Maturity (Years)	5.00	4.00	5.00	5.00
Dividend yield	3.00%	1.43%	3.00%	3.00%
Weight Average Value (₹)	89.05	535.83	45.31	42.15

Particulars	ESOP 2008			
	22-Dec-21	20-Aug-21	06-May-21	29-Apr-17
Stock price (₹)	271.40	252.00	252.00	218.71
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.81%	5.77%	5.66%	6.66%
Exercise price (₹)	271.40	252.00	252.00	218.71
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	35.40	35.40	34.72	201.65

Particulars	ESOP 2008
	08-Mar-16
Stock price (₹)	82.02
Volatility	10.00%
Risk-free Rate	7.47%
Exercise price (₹)	82.02
Time to Maturity (Years)	5.00
Dividend yield	3.00%
Weight Average Value (₹)	76.59

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2024 ESOP 2020	As at March 2023 ESOP 2020
Number of Option outstanding	16,71,891	27,05,444
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019	08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22

(b) (i) Movement of options during the year ended March 31, 2024

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	40,731	61.48-182.22	232.37	-
Exercised during the year	9,92,822	106.67- 182.22	221.16	-
Outstanding as on March 31, 2024	**16,71,891**	**106.67- 182.22**	**206.41**	**1.25**
Exercisable as on March 31, 2024	**11,31,891**	**106.67- 182.22**	**213.29**	**1.33**

(b) (ii) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	18-Jan-19	18-Jan-19	21-Nov-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

Particulars	ESOP 2020	
	02-May-18	08-Feb-17
Stock price (₹)	179.63	179.63
Volatility	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%
Exercise price (₹)	142.22	106.67
Time to Maturity (Years)	4.84	3.87
Dividend yield	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

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Note 41. Additional dislcoures:

(i) Relationship With Struck off Companies

Name of the struck off company	Balance outstanding as at March 2024 (₹ in crores)*	Balance outstanding as at March 2023 (₹ in crores)*	Relationship with the struck off company, if any, to be disclosed
(a) Shares held by the Company:			
Vaishak shares limited	0.00	0.00	None
Ethoppe advisory services private limited	0.00	0.00	None
Kothari intergroup limited	0.00	0.00	None
(b) Unclaimed dividend:			
Vaishak shares limited	0.00	0.00	None
Ethoppe advisory services private limited	0.00	0.00	None
(c) Loan and advances:			
Unicorn hospitality services private limited	0.01	0.01	None
9 media networks private limited	0.24	0.24	None
Fedify technologies private limited	0.07	0.07	None
Niche events and promotions private limited	0.15	0.17	None
Rainbow infrastructure private limited	0.00	0.02	None
Gopikrishna engineers and contractors private limited	0.05	0.05	None
CP hydro projects india private limited	0.06	0.06	None
Pushpa clinic private limited	0.02	0.02	None
Corporate rooms hospitality private limited	0.03	0.03	None
Multitask excel hi care (opc) private limited	0.07	0.07	None
Apm air travels (India) private limited	0.04	0.04	None
Tel medias private limited	-	0.08	None
Tourkraft travel services pvt ltd	-	0.01	None
Cross links hospitality private limited	-	0.20	None
Dominion expo ventures private limited	-	0.09	None
Devi singha advisory private limited	-	0.05	None
Asp international trading company pvt ltd	-	0.03	None
Seven oaks engineering private limited	0.06	0.06	None

*Wherever amount is less than ₹ 0.01 crores shown as ₹ 0.00

(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance With Number of Layers of Companies:

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

(iv) Utilisation of Borrowed Funds and Share Premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed Income

The Company has disclosed all its income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
(b) The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2024.

(ix) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Company

Title deeds of immovable properties (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.

(xi) Disclosure on Loans and Advances

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 promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

(xii) Ratios

Particulars	As at March 31, 2024	As at March 31, 2023
Capital to risk-weighted assets ratio (CRAR)	18.85%	20.38%
Tier I CRAR	12.56%	12.85%
Tier II CRAR	6.29%	7.53%
Liquidity Coverage Ratio for the quarter ended March 31	192.47%	193.50%

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Note 42. Action by the Reserve Bank of India (RBI) against the Company:

On March 04, 2024, the Reserve Bank of India (RBI), under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, imposed supervisory restrictions on the Company. This followed an RBI inspection of the Company's financial position as of March 31, 2023, which identified significant concerns in our gold loan portfolio. These include:

- Disbursals and collections of loan amounts in cash exceeding statutory limits.
- Non-compliance with the standard auction process.
- Deviations in assaying and certifying the purity and net weight of gold at both the time of loan sanction and auction upon default.
- Breaches in the Loan-to-Value ratio.
- Lack of transparency in charges levied on customer accounts.

Consequently, the RBI directed the Company to cease the sanctioning or disbursing of new gold loans and the assignment, securitization, or sale of existing gold loans with immediate effect. However, the Company is permitted to continue servicing its existing gold loan portfolio, including loan collections and recoveries, and to maintain its other business operations as usual.

The RBI has initiated a special audit by an independent professional agency, which commenced on April 23, 2024, and has since concluded. The Company has taken necessary measures to address the identified concerns and prevent their recurrence. The Board has thoroughly reviewed these deviations and non-compliances, forming a team to implement corrective actions and revise policies and procedures as needed. Management is confident that these actions will resolve all issues raised by the RBI. The Company remains committed to adhering to the highest standards of compliance with RBI regulations, in both letter and spirit.

Note 43. Impact of RBI's Action on the Company's Operations:

The RBI's order, effective March 05, 2024, placed an embargo on the Company's gold loan business. While the Gold Loan Business is a major segment of the standalone Company, its consolidated operations benefit significantly from other businesses operating in the standalone company and its subsidiaries. To mitigate any risks to the Company's status as a going concern, the following steps have been taken:

1. **Capital infusion:** Raised ₹ 1,271.83 crore through an equity rights issue in May 2024.
2. **Funding:** Secured ₹ 500.00 crore via Non-Convertible Debentures from long-term investors.
3. **Cost control:** Implemented cost control measures, including the reduction of major discretionary expenditures.

These actions ensure that the Company's projected cash flows over the next three years will meet its financial obligations, maintaining robust capital adequacy. Management is confident in resolving all issues raised by the RBI and has prepared the financial statements on a going concern basis.

CHHAJED & DOSHI * CHARTERED ACCOUNTANTS * MUMBAI 400 069.

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IIFL FINANCE LIMITED

Note 44. List of Related Parties

Nature of relationship	Name of party
Direct subsidiaries	IIFL Home Finance Limited
	IIFL Samasta Finance Limited
	IIFL Open Fintech Private Limited (w.e.f May 17,2022)
Other related parties*	IIFL Securities Limited
	IIHFL Sales Limited
	5paisa Capital Limited
	5paisa P2P Limited
	India Infoline Commodities Limited
	IIFL Facilities Services Limited
	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Management Services Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	India Infoline Employee Trust Limited
	India Infoline Foundation
Key managerial personnel (KMP)*	Mr.Kapish Jain (w.e.f November 01,2022)
	Mr.Rajesh Rajak (upto October 31, 2022)
	Mrs. Sneha Patwardhan (upto July 01,2023)
	Ms Rupal Jain (w.e.f June 20, 2023 upto March 13, 2024)
	Ms Mauli Agarwal (w.e.f March 13, 2024)
	Directors:
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	Mr. Nilesh Vikamsey (upto March 31, 2024)
	Mr. Vibhore Sharma (upto August 31, 2022)
	Mr. Vijay Kumar Chopra
	Mr. Chandran Ratnaswami
	Ms. Geeta Mathur
	Mr. Ramakrishnan Subramanian
	Mr. Arun Kumar Purwar^
	Mr. T. S. Ramakrishnan (w.e.f October 26, 2023)
	Mr. Bijou Kurien (w.e.f March 13, 2024)
	Mr. Nihar Niranjan Jambusarai (w.e.f March 13, 2024)
Close members of KMP*	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian)

* The above list includes related parties with whom transactions have been carried out during the year.

^ Acting as Independent Director upto March 31, 2024, subsequently appointed as an Additional Non-executive Director (Non Independent) and Chairperson of the Company w.e.f April 01, 2024.

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Note 44.1 Significant transactions with related parties

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Interest income				
IIFL Securities Limited	-	3.37	-	3.37
	-	(5.13)	-	(5.13)
5paisa Capital Limited	-	0.94	-	0.94
	-	(3.47)	-	(3.47)
IIFL Samasta Finance Limited	6.24	-	-	6.24
	(1.03)	-	-	(1.03)
Mr. Shankar Subramanian	-	-	0.02	0.02
	-	-	(0.04)	(0.04)
Interest expense				
IIFL Facilities Services Limited	-	-	-	-
	-	(0.00)	-	(0.00)
IIFL Home Finance Limited	21.11	-	-	21.11
	(1.07)	-	-	(1.07)
IIFL Samasta Finance Limited	7.26	-	-	7.26
	-	-	-	-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-
	-	(0.01)	-	(0.01)
IIFL Management Services Limited	-	-	-	-
	-	(0.14)	-	(0.14)
IIFL Securities Limited	-	0.24	-	0.24
	-	(1.59)	-	(1.59)
Referral fees income/Other charges income				
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	57.83	-	57.83
	-	(10.85)	-	(10.85)
Mr. Shankar Subramanian	-	-	0.04	0.04
	-	-	(0.00)	(0.00)
Donation paid				
India Infoline Foundation	-	9.30	-	9.30
	-	(8.70)	-	(8.70)
Referral Fees Expense/other charges				
IIFL Securities Limited	-	-	-	-
	-	(7.06)	-	(7.06)
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	1.78	-	1.78
	-	(6.77)	-	(6.77)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	-	-	-
	-	(0.07)	-	(0.07)
IIFL Samasta Finance Limited	196.71	-	-	196.71
	(56.72)	-	-	(56.72)
IIFL Home Finance Limited	-	-	-	-
	(0.25)	-	-	(0.25)
IIFL Open Fintech Private Limited	1.01	-	-	1.01
	(0.58)	-	-	(0.58)
5paisa Capital Limited	-	0.82	-	0.82
	-	-	-	-
Rent expenses				
IIFL Facilities Services Limited	-	3.04	-	3.04
	-	(2.11)	-	(2.11)
Brokerage expense				
IIFL Securities Limited	-	5.18	-	5.18
	-	(0.50)	-	(0.50)
Short term employee benefit				
Mr.Nirmal Jain	-	-	11.09	11.09
	-	-	(10.20)	(10.20)
Mr.Kapish Jain	-	-	2.25	2.25
	-	-	(0.88)	(0.88)
Mrs. Sneha Patwardhan	-	-	0.15	0.15
	-	-	(0.74)	(0.74)
Mr.Rajesh Rajak	-	-	-	-
	-	-	(1.82)	(1.82)
Ms Rupal Jain	-	-	0.14	0.14
	-	-	-	-
Ms Mauli Agarwal	-	-	0.02	0.02
	-	-	-	-

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(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Other long term benefit				
Mr.Nirmal Jain	-	-	0.20	0.20
	-	-	(0.24)	(0.24)
Mr.Kapish Jain	-	-	0.05	0.05
	-	-	(0.01)	(0.01)
Mrs. Sneha Patwardhan	-	-	(0.01)	(0.01)
	-	-	(0.02)	(0.02)
Mr.Rajesh Rajak	-	-	-	-
	-	-	-	-
Ms Rupal Jain	-	-	0.00	0.00
	-	-	-	-
Ms Mauli Agarwal	-	-	0.01	0.01
	-	-	-	-
Share based payment				
Mrs. Sneha Patwardhan	-	-	0.06	0.06
	-	-	-	-
Post employment benefits				
Mr.Kapish Jain	-	-	0.10	0.10
	-	-	-	-
Sitting Fees and Commission				
Mr. Arun Kumar Purwar	-	-	0.49	0.49
	-	-	(0.28)	(0.28)
Mr. Nilesh Vikamsey	-	-	0.48	0.48
	-	-	(0.25)	(0.25)
Mr. Ramakrishnan Subramanian	-	-	0.35	0.35
	-	-	(0.25)	(0.25)
Mr. Vijay Kumar Chopra	-	-	0.35	0.35
	-	-	(0.21)	(0.21)
Ms. Geeta Mathur	-	-	0.44	0.44
	-	-	(0.26)	(0.26)
Mr. T. S. Ramakrishnan	-	-	0.04	0.04
	-	-	-	-
Mr. Bijou Kurien	-	-	0.02	0.02
	-	-	-	-
Mr. Nihar Niranjan Jambusarai	-	-	0.02	0.02
	-	-	-	-
Mr. Vibhore Sharma	-	-	-	-
	-	-	(0.06)	(0.06)
Equity dividend received				
IIFL Home Finance Limited	115.32	-	-	115.32
	(83.87)	-	-	(83.87)
IIFL Samasta Finance Limited	16.64	-	-	16.64
	(3.71)	-	-	(3.71)
Equity dividend paid				
India Infoline Employee Trust Limited	-	0.03	-	0.03
	-	(0.03)	-	(0.03)
ICD/loan taken**				
IIFL Home Finance Limited	1,450.00	-	-	1,450.00
	(300.00)	-	-	(300.00)
IIFL Securities Limited	-	100.00	-	100.00
	-	-	-	-
IIFL Samasta Finance Limited	1,100.00	-	-	1,100.00
	-	-	-	-

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
ICD/loan returned**				
IIFL Home Finance Limited	1,450.00	-	-	1,450.00
	(300.00)	-	-	(300.00)
IIFL Securities Limited	-	100.00	-	100.00
	-	-	-	-
IIFL Samasta Finance Limited	1,100.00	-	-	1,100.00
	-	-	-	-
ICD/loan given**				
IIFL Securities Limited	-	1,075.00	-	1,075.00
	-	(1,065.00)	-	(1,065.00)
IIFL Samasta Finance Limited	300.00	-	-	300.00
	(100.00)	-	-	(100.00)
5paisa Capital Limited	-	150.00	-	150.00
	-	(700.00)	-	(700.00)
ICD/loan received back**				
IIFL Securities Limited	-	1,075.00	-	1,075.00
	-	(1,065.00)	-	(1,065.00)
5paisa Capital Limited	-	150.00	-	150.00
	-	(700.00)	-	(700.00)
IIFL Samasta Finance Limited	300.00	-	-	300.00
	(100.00)	-	-	(100.00)
Mr. Shankar Subramanian	-	-	0.09	0.09
	-	-	(0.06)	(0.06)
Investment in subsidiaries				
IIFL Samasta Finance Limited	200.00	-	-	200.00
	(200.00)	-	-	(200.00)
IIFL Open Fintech Private Limited	-	-	-	-
	(38.40)	-	-	(38.40)
Purchase of Investment				
IIFL Home Finance Limited	2.38	-	-	2.38
	(259.08)	-	-	(259.08)
Sale of investment				
IIFL Home Finance Limited	63.84	-	-	63.84
	-	-	-	-
Allocation / reimbursement of expenses paid				
IIFL Securities Limited	-	11.04	-	11.04
	-	(9.50)	-	(9.50)
5paisa Capital Limited	-	0.37	-	0.37
	-	(0.04)	-	(0.04)
IIFL Home Finance Limited	1.17	-	-	1.17
	(1.37)	-	-	(1.37)
IIFL Management Services Limited	-	0.14	-	0.14
	-	(0.41)	-	(0.41)
IIHFL Sales Limited	-	-	-	-
	-	(0.07)	-	(0.07)
IIFL Facilities Services Limited	-	1.94	-	1.94
	-	(1.97)	-	(1.97)
Allocation / reimbursement of expenses paid others				
IIFL Securities Limited	-	0.22	-	0.22
	-	(0.70)	-	(0.70)
IIFL Facilities Services Limited	-	0.08	-	0.08
	-	(0.09)	-	(0.09)
IIFL Home Finance Limited	0.54	-	-	0.54
	(0.74)	-	-	(0.74)
5paisa Capital Limited	-	0.01	-	0.01
	-	(0.22)	-	(0.22)
IIFL Management Services Limited	-	0.00	-	0.00
	-	(0.00)	-	(0.00)
IIFL Open Fintech Private Limited	0.03	-	-	0.03
	(0.01)	-	-	(0.01)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.00	-	0.00
	-	(0.04)	-	(0.04)
IIHFL Sales Limited	-	0.08	-	0.08
	-	(0.03)	-	(0.03)
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	0.01	-	0.01
	-	(0.00)	-	(0.00)
India Infoline Commodities Limited	-	0.02	-	0.02
	-	-	-	-

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Allocation / reimbursement of expenses received				
IIFL Facilities Services Limited	-	0.06	-	0.06
	-	(0.08)	-	(0.08)
IIFL Management Services Limited	-	0.12	-	0.12
	-	(0.13)	-	(0.13)
IIFL Securities Limited	-	3.65	-	3.65
	-	(2.88)	-	(2.88)
IIFL Home Finance Limited	5.31	-	-	5.31
	(6.58)	-	-	(6.58)
IIFL Samasta Finance Limited	-	-	-	-
	(0.03)	-	-	(0.03)
5paisa Capital Limited	-	2.05	-	2.05
	-	(1.55)	-	(1.55)
IIFL Open Fintech Private Limited	0.47	-	-	0.47
	(0.00)	-	-	(0.00)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.16	-	0.16
	-	(0.11)	-	(0.11)
IIHFL Sales Limited	-	0.03	-	0.03
	-	(1.23)	-	(1.23)
Allocation / reimbursement of expenses received others				
5paisa Capital Limited	-	0.01	-	0.01
	-	(0.20)	-	(0.20)
5paisa P2P Limited	-	-	-	-
	-	(0.00)	-	(0.00)
IIFL Securities Limited	-	0.08	-	0.08
	-	(0.78)	-	(0.78)
IIFL Home Finance Limited	1.54	-	-	1.54
	(0.88)	-	-	(0.88)
IIFL Management Services Limited	-	0.17	-	0.17
	-	(0.10)	-	(0.10)
IIFL Facilities Services Limited	-	0.00	-	0.00
	-	(0.01)	-	(0.01)
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	0.00	-	0.00
	-	(0.01)	-	(0.01)
India Infoline Foundation	-	0.01	-	0.01
	-	(0.00)	-	(0.00)
IIFL Open Fintech Private Limited	0.09	-	-	0.09
	(0.01)	-	-	(0.01)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)				-
	-	(0.04)	-	(0.04)
IIHFL Sales Limited	-	-	-	-
	-	(0.00)	-	(0.00)
Security deposit paid towards rent				
IIFL Facilities Services Limited	-	1.47	-	1.47
	-	(0.02)	-	(0.02)
Security deposit received back				
IIFL Facilities Services Limited	-	-	-	-
	-	(0.01)	-	(0.01)
Assignment/Securitisation transactions paid on behalf				
IIFL Home Finance Limited	45.04	-	-	45.04
	(63.35)	-	-	(63.35)
Non Convertible Debenture issued				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-
	-	(6.10)	-	(6.10)
Repayment towards Borrowing				
IIFL Management Services Limited	-	-	-	-
	-	(0.12)	-	(0.12)
Branding Income				
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	5.64	-	5.64
	-	-	-	-
commission/ Fees on corporate guarantee given				
IIFL Home Finance Limited	4.93	-	-	4.93
	-	-	-	-

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Note 44.2 Closing balances with related parties (₹ in crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and close members of KMP	Total
Other payable				
5paisa Capital Limited	-	-	-	-
	-	(0.02)	-	(0.02)
IIFL Management Services Limited	-	0.86	-	0.86
	-	(0.11)	-	(0.11)
IIFL Facilities Services Limited	-	0.18	-	0.18
	-	(0.14)	-	(0.14)
IIFL Open Fintech Private Limited	-	-	-	-
	(0.61)	-	-	(0.61)
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	0.34	-	0.34
	-	(1.52)	-	(1.52)
IIHFL Sales Limited	-	0.01	-	0.01
	-	(0.01)	-	(0.01)
IIFL Home Finance Limited	-	-	-	-
	(0.07)	-	-	(0.07)
IIFL Samasta Finance Limited	23.25	-	-	23.25
	(7.18)	-	-	(7.18)
Other receivable				
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	0.95	-	0.95
	-	(0.00)	-	(0.00)
IIFL Management Services Limited	-	0.01	-	0.01
	-	-	-	-
IIFL Securities Limited	-	-	-	-
	-	(0.69)	-	(0.69)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	8.43	-	8.43
	-	(2.97)	-	(2.97)
IIFL Home Finance Limited	5.88	-	-	5.88
	-	-	-	-
5paisa Capital Limited	-	0.33	-	0.33
	-	-	-	-
IIFL Open Fintech Private Limited	0.08	-	-	0.08
	-	-	-	-
India Infoline Foundation	-	0.00	-	0.00
	-	-	-	-
Security deposit receivable				
IIFL Facilities Services Limited	-	2.39	-	2.39
	-	(0.93)	-	(0.93)
Corporate guarantee given				
IIFL Home Finance Limited	410.32	-	-	410.32
	(584.94)	-	-	(584.94)
Outstanding non convertible debenture issued				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-
	-	(6.10)	-	(6.10)
Interest accrued on non convertible debenture issued				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-
	-	(3.10)	-	(3.10)
Loan & other receivable				
Mr. Shankar Subramanian	-	-	0.01	0.01
	-	-	(0.14)	(0.14)
Gratuity payable *				
Mr.Nirmal Jain	-	-	0.16	0.16
	-	-	(0.15)	(0.15)
Mr.Kapish Jain	-	-	0.03	0.03
	-	-	(0.01)	(0.01)
Mrs. Sneha Patwardhan	-	-	-	-
	-	-	(0.01)	(0.01)
Ms Rupal Jain	-	-	0.00	0.00
	-	-	-	-
Ms Mauli Agarwal	-	-	0.00	0.00
	-	-	-	-
Leave encashment payable *				
Mr.Nirmal Jain	-	-	1.10	1.10
	-	-	(0.89)	(0.89)
Mr.Kapish Jain	-	-	0.02	0.02
	-	-	(0.02)	(0.02)
Mrs. Sneha Patwardhan	-	-	-	-
	-	-	(0.00)	(0.00)
Ms Rupal Jain	-	-	0.00	0.00
	-	-	-	-
Ms Mauli Agarwal	-	-	0.01	0.01
	-	-	-	-

* Based on actuarial valuation report
**ICD Transactions are including Intraday
Wherever amount is less than ₹ 0.01 crores,shown as ₹ 0.00
(Figure in bracket represents previous year figure)

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Note 45. Corporate Social Responsibility:

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
(a) Amount required to be spent	10.91	8.70
(b) Amount of expenditure incurred	9.30	8.70
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	9.30	8.70
(c) Shortfall at the end of the year	1.61	-
(d) Total of previous years shortfall	-	-
(e) Nature of CSR activities	Promoting Education and Healthcare, eradicating poverty	

Note 45.1. Reason for shortfall during previous year: During the year Company had contributed towards the ongoing projects to IIFL Foundation Limited and which remained unspent as on March 31, 2024. The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2024-25.

Note 45.2. In respect of other than ongoing projects, the company has transferred unspent amount of ₹ 0.01 crore to the PM Cares Fund, a fund specified in Schedule VII to the Companies Act, on June 04, 2024 i.e. within a period of six months of the expiry of the financial year 2024.

Note 45.3. The Company contributes its CSR requirement to India Infoline Foundation Limited, a group Company.

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Note 46.1 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	863.92	-	863.92
(b)	Bank balance other than (a) above	897.82	68.76	966.58
(c)	Derivative financial instruments	149.89	7.80	157.69
(d)	Receivables			
	(i) Trade receivables	42.27	-	42.27
	(ii) Other receivables	29.65	-	29.65
(e)	Loans	13,720.28	4,706.56	18,426.84
(f)	Investments	83.90	5,072.68	5,156.58
(g)	Other financial assets	487.15	246.97	734.12
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	154.05	-	154.05
(b)	Deferred tax assets (net)	-	75.92	75.92
(c)	Investment property	-	293.70	293.70
(d)	Property, plant and equipment	-	132.35	132.35
(e)	Capital work-in-progress	-	51.83	51.83
(f)	Right of-use assets	-	363.98	363.98
(g)	Intangible assets under development	-	0.17	0.17
(h)	Other intangible assets	-	4.12	4.12
(i)	Other non-financial assets	45.19	89.17	134.36
(j)	Assets held for sale	-	-	-
	Total Assets	**16,474.12**	**11,114.01**	**27,588.13**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	3.56	27.36	30.92
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	5.72	-	5.72
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	134.61	-	134.61
(c)	Finance lease obligation	78.17	303.96	382.13
(d)	Debt securities	1,568.27	2,772.19	4,340.46
(e)	Borrowings (other than debt securities)	4,770.13	9,196.54	13,966.67
(f)	Subordinated liabilities	100.85	1,602.92	1,703.77
(g)	Other financial liabilities	1,286.07	10.13	1,296.20
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	2.83	-	2.83
(b)	Provisions	27.06	11.76	38.82
(c)	Other non-financial liabilities	90.09	-	90.09
[3]	**Equity**			
(a)	Equity share capital	-	76.31	76.31
(b)	Other equity	-	5,519.60	5,519.60
	Total Liabilities and Equity	**8,067.36**	**19,520.77**	**27,588.13**

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Note 46.2 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	1,763.87	-	1,763.87
(b)	Bank balance other than (a) above	1,331.08	75.99	1,407.07
(c)	Derivative financial instruments	44.00	128.37	172.37
(d)	Receivables			
	(i) Trade receivables	65.59	0.92	66.51
	(ii) Other receivables	15.47	-	15.47
(e)	Loans	10,246.05	4,439.78	14,685.83
(f)	Investments	143.13	3,636.56	3,779.69
(g)	Other financial assets	464.84	402.18	867.02
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	225.77	225.77
(b)	Deferred tax assets (net)	-	31.80	31.80
(c)	Investment property	-	293.70	293.70
(d)	Property, plant and equipment	-	147.79	147.79
(e)	Capital work-in-progress	26.91	0.10	27.02
(f)	Right of-use assets	-	328.23	328.23
(h)	Intangible assets under development	0.38	-	0.38
(g)	Other intangible assets	-	2.95	2.95
(i)	Other non-financial assets	191.40	69.10	260.50
(j)	Assets held for sale	7.85	-	7.85
	Total Assets	**14,300.57**	**9,783.24**	**24,083.82**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	29.36	3.78	33.14
(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	131.89	-	131.89
(c)	Finance lease obligation	79.42	272.80	352.22
(d)	Debt securities	2,870.10	2,323.99	5,194.09
(e)	Borrowings (other than debt securities)	3,819.67	6,707.22	10,526.89
(f)	Subordinated liabilities	59.13	1,600.38	1,659.51
(g)	Other financial liabilities	892.34	3.47	895.81
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	29.63	-	29.63
(b)	Provisions	44.05	8.70	52.75
(c)	Other non-financial liabilities	92.98	-	92.98
[3]	**Equity**			
(a)	Equity share capital	-	76.09	76.09
(b)	Other equity	-	5,038.82	5,038.82
	Total Liabilities and Equity	**8,048.57**	**16,035.25**	**24,083.82**

Note 47. Regroupings or reclassification

Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current year's classification.

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48. Disclosure as required under Annex XXII- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time

(i) Capital Adequacy Ratio (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
CRAR (%)	18.85%	20.38%
CRAR - Tier I Capital (%)	12.56%	12.85%
CRAR - Tier II Capital (%)	6.29%	7.53%
Amount of subordinate debt raised as Tier- II capital	1,608.78	300.00
Amount raised by issue of perpetual debt instruments.	-	-

(ii) Disclosure of Investments (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Value of Investments		
Gross value of Investments*	**5,163.67**	**4,109.59**
(a) In India	5,163.67	4,109.59
(b) Outside India	-	-
Provision for depreciation/diminution	**7.09**	**329.90**
(a) In India	7.09	329.90
(b) Outside India	-	-
Net value of investments	**5,156.58**	**3,779.69**
(a) In India	5,156.58	3,779.69
(b) Outside India	-	-
Movement of provisions held towards depreciation on Investments		
Opening Balance	329.90	362.09
Add: Provision made during the year	7.09	-
Less : Write -off / write-back of excess provisions during the year	(329.90)	(32.19)
Closing balance	**7.09**	**329.90**

*Include mark to market loss of ₹ 150.93 Crore (PY Gain ₹108.63 Crores)

(iii) Derivatives:

(a) Forward Rate Agreement / Interest Rate Swap (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
The notional principal of Forward/swap agreements*	4,770.02	5,374.29
Losses which would be incurred if counterparties failed to fulfill their obligation under the agreements.	157.69	172.37
Collateral required by the NBFC upon entering into swaps		-
Concentration of credit risk arising from the swaps	4,770.02	5,374.29
The fair value of swap book	126.77	139.23

*The Company has hedged its foreign currency borrowings through forward contract and interest rate swaps. For Accounting Policy & Risk Management Policy. (Refer note no. 38C)

(b) Exchange traded Interest Rate "IR" derivatives (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Notional principal amount of exchange traded IR derivatives undertaken		
- Forward Rate agreements	-	-
Total	-	-
Notional principal amount of exchange traded IR derivatives outstanding		
- Forward Rate agreements	-	-
Total	-	-
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark to market value of exchange traded IR derivative outstanding and not "highly effective"	-	-

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(c) Disclosures on Risk Exposure in Derivatives:

(I) Qualitative disclosure:

a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved policies including limits. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also reviews stress testing.

The monitoring and measurement of risk in derivatives is carried out by the Risk Department. The Risk Department is independent of the Treasury Front office, back office and directly reports into the Chief Risk Officer.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored and measured daily. The Risk Department measures and reports Market Risk metrics like VaR, PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho, etc. The Credit Risk from the derivatives portfolio is also measured daily.

The Risk Department monitors these exposures against the set limits and also reviews profitability on a daily basis. MIS is sent to relevant teams on a periodic basis. Exception reports are also sent so that emerging risks are reviewed and managed on a timely basis. Stress testing is also performed on the Derivative portfolio.

c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/Interest Rate Futures and/or Equity Index/Stock Options/ Currency Options as the case may be ("Derivatives Portfolio") which are released on final settlement/squaring-up of underlying contracts are disclosed under the head "Other Current Assets".

Equity Index/Stock Option/Currency Option Premium Account represents premium paid or received for buying or selling the Options, respectively which is amortised over the period of contract.

On final settlement or squaring up of contracts for Derivatives Portfolio, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Derivatives Portfolio before expiry, the premium, prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market/Unrealised Profit/(Loss) on all outstanding Derivative portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Other Comprehensive Income.

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(II) Quantitative Disclosure

(₹ in crores)

Particulars	March 31, 2024		March 31, 2023	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principle Amount):				
- For hedging *	4,074.52	695.50	4,678.79	695.50
Marked to market positions:				
a) Asset	140.65	17.04	145.89	26.48
b) Liability	30.92		33.14	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

* The Company has opted for hedge accounting under IND AS 109 as stated under the significiant accounting policies.

(iv) Disclosures pertaining to securitisation transactions

The Company sells loans through securitisation and direct assignment.

(A) The information on securitisation done by the Company as an originator is given below:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total number of loan assets under par structure	25,226	-
Total book value of loan assets	308	-
Sale consideration received	308	-

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
No. of SPVs sponsored by the company for securitisation transactions	1	2
Total amount of securitised assets as per the books of SPVs sponsored by the company	135.45	564.26
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	23.33	52.80
Other amount of Securtised assets as per the books of SPV sponsored by the company		-
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss		
Investment in PTC	-	-
Overcollateralization	25.00	80.00
Amount of exposures to securitisation transaction other than MRR	-	-
a) Off - Balance Sheet Exposures		
i) Exposures to own securitisations	-	
First Loss	-	-
Others	-	-
ii) Exposures to third party securitisations	-	
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures	-	
i) Exposures to own securitisations	-	
First Loss	-	-
Others		
ii) Exposures to third party securitisations	-	
First Loss	-	-
Others		-

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(B) The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
Total number of loan assets under par structure	9,32,133	11,10,696
Total book value of loan assets	9,029.31	10,063.15
Sale consideration received	9,029.31	10,063.15

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in crores)

Particulars	March 31, 2024	March 31, 2023
No. of transactions assigned by the Company	93	68
Total amount outstanding	7,667.15	9,308.70
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	766.62	930.87
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Exposures to own assigned transactions	-	-
Amount of exposures to assigned transaction other than MRR	-	-
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-

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(v) Asset liability management maturity pattern

As at March 31, 2024

(₹ in crores)

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances*	819.94	292.21	2,039.52	3,397.82	1,829.71	1,712.82	2,434.63	4,162.08	491.36	87.50	17,267.59
Other Advances	-	87.28	87.28	166.41	227.32	410.63	214.73	-	-	-34.40	1,159.25
Investments	-	-	59.77	24.13	-	-	-	13.69	-	5,059.00	5,156.58
Borrowings (Includes foreign currency borrowings)	49.01	27.07	197.36	1,012.22	637.90	1,858.94	2,655.39	8,943.38	3,254.16	1,375.48	20,010.90
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*Net of ECL Provision of ₹ 574.87 Crore

As at March 31, 2023

(₹ in crores)

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances*	710.13	467.18	583.92	1,955.26	1,492.89	2,198.79	1,947.49	3,824.09	415.79	18.19	13,613.73
Other Advances	-	38.51	38.51	85.10	110.77	24.23	774.70	0.28	-	-	1,072.10
Investments	-	-	143.13	-	-	-	-	971.25	-	2,665.31	3,779.69
Borrowings (Includes foreign currency borrowings)	14.80	71.41	2,750.59	599.15	485.63	826.02	2,001.28	6,148.75	1,886.66	2,596.20	17,380.49
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*Net of ECL Provision of ₹ 505.20 Crore

(vi) Exposure to Real Estate Sector

(₹ 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.	1,937.13	1,492.34
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residentail building, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	286.90	519.19
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Direct Exposure (A)	**2,224.03**	**2,011.53**
b) Indirect Exposure (B)		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	**1,235.80**	**1,410.42**
Total Exposure to Real Estate Sector (A+B)	**3,459.83**	**3,421.95**

(vii) Exposure to Capital Market: (₹ in crores)

Particulars	March 31, 2024	March 31, 2023
(i) Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	24.13	0.00
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity oriented mutual funds;	305.27	443.52
(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	8.67	7.94
(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 Alternative Investment Funds: - **Category - II**	20.77	971.25
Total Exposure to Capital Market	**358.84**	**1,422.71**

Note:
(a) The above excludes direct equity and debt investment in own subsidiary companies.

(viii) No penalty has been imposed during the year by RBI or other regulators.

(ix) Details of Credit Ratings:

A) Ratings assigned by Credit Rating Agencies and Migration in rating: (₹ in crores)

Rating Agency	Product	As at March 31, 2024		As at March 31, 2023		Migration in rating
		Amount	Rating assigned	Amount	Rating assigned	
CARE Ratings Limited	Non Convertible Debenture	537.50	CARE AA (RWD) Placed on Rating Watch with Developing Implications	537.50	CARE AA; Stable [Double A; Outlook: Stable]	Nil
CARE Ratings Limited	Long Term Bank Facilities	400.00	CARE AA (RWD) Placed on Rating Watch with Developing Implications	400.00	CARE AA; Stable [Double A; Outlook: Stable]	Nil
CARE Ratings Limited	Subordinate Debt	100.00	CARE AA (RWD) Placed on Rating Watch with Developing Implications	100.00	CARE AA; Stable [Double A; Outlook: Stable]	Nil
ICRA Limited	Non Convertible Debentures Programme	8,131.92	[ICRA]AA ; placed on Rating Watch with Negative Implications	8,525.23	[ICRA]AA ;Stable; reaffirmed	Nil
ICRA Limited	Commercial Paper programme	8,000.00	[ICRA]A1+;	8,000.00	[ICRA]A1+; reaffirmed	Nil
ICRA Limited	Subordinate Debt Programme	657.00	[ICRA]AA ; placed on Rating Watch with Negative Implications	710.00	[ICRA]AA ;Stable; reaffirmed	Nil
ICRA Limited	Long Term Bank Lines	5,775.00	[ICRA]AA ; placed on Rating Watch with Negative Implications	5,775.00	[ICRA]AA ;Stable; reaffirmed	Nil
ICRA Limited	Long Term Principle Protected Equity Linked Debenture Programme	500.00	PP-MLD[ICRA]AA ; placed on Rating Watch with Negative Implications	500.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	Nil
ICRA Limited	Long Term Principle Protected Market Linked Debenture Programme	364.00	PP-MLD[ICRA]AA ; placed on Rating Watch with Negative Implications	364.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	Nil
ICRA Limited	Commercial Paper programme (IPO financing)	500.00	[ICRA]A1+;	8,000.00	[ICRA]A1+; reaffirmed	Nil
ICRA Limited	Non convertible debenture programme	5,000.00	[ICRA]AA ; placed on Rating Watch with Negative Implications	5,000.00	[ICRA]AA ;Stable; assigned	Nil
CRISIL Limited	Non Convertible Debentures *	5,000.00	CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications')	5,000.00	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Subordinate Debt	-	-	5.00	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Long Term Principal Protected Market Linked Debentures	1,100.00	CRISIL PPMLD AA/Watch Developing (Continues on'Rating Watch with Developing Implications')	1,100.00	CRISIL PP-MLD AAr/Stable reaffirmed	Yes

Rating Agency	Product	As at March 31, 2024		As at March 31, 2023		Migration in rating
		Amount	Rating assigned	Amount	Rating assigned	
CRISIL Limited	Perpetual bonds	300.00	CRISIL AA-/Watch Developing (Continues on 'RatingWatch with Developing implications')	-	-	Nil
CRISIL Limited	Commercial Paper programme (IPO financing)	500.00	CRISIL A1+ reaffirmed	500.00	CRISIL A1+ reaffirmed	Nil
CRISIL Limited	Commercial Paper	8,500.00	CRISIL A1+ reaffirmed	8,500.00	CRISIL A1+ reaffirmed	Nil
CRISIL Limited	Total Bank Loan Facilities Rated (Long Term Rating)	7,000.00	CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications')	4,000.00	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Non Convertible Debentures *	2,823.03	CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications')	3,686.30	CRISIL AA/Stable reaffirmed	Yes
CRISIL Limited	Non Convertible Debentures *	1,134.88	CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications')	1,513.84	CRISIL AA/Stable reaffirmed	Yes
Brickwork Ratings	NCDs (Public Issue)	1,134.88	BWR AA + /Rating Watch with Negative Implications	1,513.84	BWR AA+ Negative reaffirmed	Nil
Brickwork Ratings	Non Convertible Debentures	78.18	BWR AA + /Rating Watch with Negative Implications	493.43	BWR AA+ Negative reaffirmed	Nil
Brickwork Ratings	Secured Non Covertible Debentures	-	-	5.00	BWR AA+ Negative reaffirmed	Nil
Brickwork Ratings	NCDs (Public Issue proposed)	-	-	5,000.00	BWR AA+ Negative assigned	Nil
India Ratings	Non-convertible debentures (NCDs)*	250.00	IND AA/Rating Watch with Negative implications	-	-	Nil
India Ratings	Perpetual debt (Tier 1 instrument)	300.00	IND AA-/Rating Watch with Negative implications	-	-	Nil
Moody's	Corporate family rating (CFR)	-	-	NA	B2 / Stable	Nil
Moody's	Long-term foreign- and local-currency senior secured ratings to USD 1 billion Medium Term Note (MTN) program	-	-	USD 1000 M	B2 / Stable	Nil
Fitch	Senior secured notes issued under USD 1 billion Medium Term Note (MTN) Programme	-	-	USD 1000 M	B+ / Affirmed	Nil
Fitch	Senior secured notes issued under USD 400 million bond	-	-	USD 400 M	B+ / Affirmed	Nil
Fitch	Long-Term Issuer Default Rating (IDR)	-	-	NA	B+	Nil

*Interchangeable between secured and subordinated debt.

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(x) No registration has been obtained from other financial regulators.

(xi) The disclosures as required by the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time and Disclosures in Financial statement-Notes to Accounts as issued by RBI

a. No draw down from reserves have been done during the year.

b. The company does not have any overseas assets.

c. The company does not have any off balancesheet SPV sponsored .

d. The company does not have any parent company hence details of Financing of parent company is not applicable.

e. No revenue recognition has been postponed.

f. Auditors have not expressed modified opinion on the audited financial statements.

g. There are no items of income & expenditure of exceptional nature.

h. There has been no breach in terms of covenants in respect of loans availed by the Company or debt securities issued by the company including incidence of default.

i. There is no divergence in asset classification and provisioning norms.

j. The company has not financed any advances for which intangible securities such as charges over rights, Licences, authorities etc. has been taken

k. Company has not given loans to Entities associated with directors and their relatives and Senior Officers and their relatives, however Details of loan given to director and their relative is disclosed in Note no. 44 of the Financial statement.

l. There are no prior period items which are impacting company's current year profit and loss.

(xii) The company during the year ended has not exceeded single borrower limit (SGL)/ group borrower limit (GBL) while performing its lending operations.

(xiii) Remuneration paid to Non Executive Directors: **(₹ in crores)**

Name of the Director	FY 2023-24	FY 2022-23
Mr. Arun Kumar Purwar	0.49	0.28
Ms. Geeta Mathur	0.44	0.26
Mr. Nilesh Vikamsey (upto March 31, 2024)	0.48	0.25
Mr. Ramakrishnan Subramanian	0.35	0.25
Mr. Vibhore Sharma(upto August 31, 2024)	-	0.06
Mr. Vijay Kumar Chopra	0.35	0.21
Mr. Bijou Kurien (w.e.f. March 13, 2024)	0.02	-
Mr. Nihar Jambusaria (w.e.f. March 13, 2024)	0.02	-
Mr. T S Ramakrishnan (w.e.f October 26, 2023)	0.04	-
Total	**2.19**	**1.31**

(xiv) Details of Provisions and Contingencies **(₹ in crores)**

Particulars	FY 2023-24	FY 2022-23
Provision for depreciation on investment	(322.81)	(32.19)
Provision towards non performing advances	228.60	(68.51)
Other Provision and Contingencies:		
Bad debts written off/(back)	279.32	355.15
Provision for Contingencies/Other financial assets	7.29	10.69
Provision for Standard Assets	(136.51)	(11.80)
Total	**55.89**	**253.34**
Provision made towards Income Tax	145.20	237.23

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(xv). Details Of Concentration Of Advances, Exposures & NPA:

a) Concentration of Advances (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total advances to twenty largest borrowers	1,423.19	2,077.63
Outstanding Advances	17,842.40	14,047.88
Percentage of advances to twenty largest borrowers to total advances	7.98%	14.79%

b) Concentration of Exposures (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to twenty largest borrowers / customers	1,574.80	2,185.30
Percentage of exposure to twenty largest borrowers / customers to total exposure	8.47%	15.41%

c) Concentration of NPAs (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to top four NPA accounts	58.80	10.68

d) Details Of Sectorwise NPA: (₹ in crores)

Particulars	% of NPAs to total advances in that sector					
	As at March 31, 2024			As at 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
1. Agriculture & allied activities				-	-	0.00%
2. Industry						
a. Micro & Small - SME	3,347.99	100.31	3.00%	1,238.39	43.92	3.55%
3. Services						
a. Commercial & Residential Real Estate	1,285.31	58.55	4.56%	2,009.12	10.44	0.52%
4. Personal Loans						
a. Loans against Gold Jewellery	10,116.47	368.70	3.64%	8,329.51	66.68	0.80%
b. Advances to individuals against share, bonds, etc.	185.03	-	0.00%	451.46	-	0.00%
c. Loan against property	1,073.50	27.54	2.57%	729.88	7.74	1.06%
d. Others	903.87	85.99	9.51%	1,142.53	50.75	4.44%
5. Other loans*	1,688.79	12.14	0.72%	280.79	1.79	0.64%

* Other loans include all loans that cannot be classified under any of the other sectors.

(xvi). Movement of NPAs:

(₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Net NPAs to Net Advances (%)	1.90%	0.64%
(ii) Movement of NPAs (Gross)		
(a) Opening balance*	202.49	406.21
(b) Addition during the year	689.66	178.25
(c) Reduction during the year	(154.86)	(381.96)
(d) Closing balance*	737.30	202.49

* Includes Interest of ₹ 84.06 crores (P.Y ₹ 21.17 crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(iii) Movement of Net NPAs		
(a) Opening balance	89.69	206.30
(b) Addition during the year	316.93	82.61
(c) Reduction during the year	(73.63)	(199.22)
(d) Closing balance	332.99	89.69
(iv) Movement of provision for NPAs		
(a) Opening balance**	112.81	199.91
(b) Addition during the year	372.73	95.64
(c) Reduction during the year	(81.23)	(182.74)
(d) Closing balance**	404.30	112.81

** Includes Interest of ₹ 84.06 crores (P.Y ₹ 21.17 crores)

Note: The above has been computed basis EAD for credit impaired advances.

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(xvii). Disclosure of Complaints:

Particulars	FY 2023-24	FY 2022-23
i. Number of complaints pending at the beginning of year	50	172
ii. Number of complaints received during the year	38,222	10,213
iii. Number of complaints redressed during the year	38,021	10,335
iv. Number of complaints pending at the end of the year	251	50

Maintainable complaints received by the NBFC from Office of Ombudsman

Particulars	FY 2023-24	FY 2022-23
Number of maintainable complaints received by the NBFC from Office of Ombudsman	842	595
a. number of complaints resolved in favour of the NBFC by Office of Ombudsman	841	591
b. number of complaints resolved through conciliation/mediation / advisories issued by Office of Ombudsman	1	2
c. number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	2
d. Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Top five grounds of complaints received by the NBFCs 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 the above number of complaints pending beyond 30 days
1	2	3	4	5	6
			Current Year		
Waiver/Refund	14	12,663	210.29%	116	-
CIBIL Updation	1	856	-61.02%	4	-
Payments	6	5,255	594.19%	27	-
Collections	7	4,697	601.04%	33	-
Branch Experience	11	167	-70.49%	-	-
Others	11	14,584	650.59%	71	-
Total	**50**	**38,222**		**251**	-
			Previous Year		
Waiver/Refund	62	4,081	-20.59%	14	-
CIBIL Updation	-	2,196	2453.49%	1	-
Payments	8	757	-38.15%	6	-
Collections	8	670	-55.33%	7	-
Branch Experience	5	566	54.64%	11	-
Others	89	1,943	-66.39%	11	-
Total	**172**	**10,213**		**50**	-

Note:

(i) The above includes not only complaints but also queries received from the customers for the various grounds as mentioned above.

(ii) CIBIL updation includes 05 (PY 2,096) queries/complaints in FY 2023-24 received from the customers onboarded by Fintech Partners.

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(xviii) Disclosure of restructured accounts:

Details for FY 2023-24

(₹ in crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY 2023 (opening figures)*	No. of borrowers	-	-	-	-	-	346.00	50.00	4.00	217.00	617.00	346.00	50.00	4.00	217.00	617.00
		Amount outstanding	-	-	-	-	-	20.57	2.60	0.28	5.01	28.46	20.57	2.60	0.28	5.01	28.46
		Provision thereon	-	-	-	-	-	3.72	2.20	0.15	4.08	10.15	3.72	2.20	0.15	4.08	10.15
2	Fresh restructuring during the year 2023-2024	No. of borrowers	-	-	-	-	-	-	1,31,112.00	-	-	1,31,112.00	-	1,31,112.00	-	-	1,31,112.00
		Amount outstanding	-	-	-	-	-	-	271.98	-	-	271.98	-	271.98	-	-	271.98
		Provision thereon	-	-	-	-	-	-	108.80	-	-	108.80	-	108.80	-	-	108.80
3	Upgradations to restructured standard category during the FY 2023-2024[1]	No. of borrowers	-	-	-	-	-	4.00	(4.00)	2.00	(2.00)	-	4.00	(4.00)	2.00	(2.00)	-
		Amount outstanding	-	-	-	-	-	0.01	(0.03)	0.17	(0.17)	(0.02)	0.01	(0.03)	0.17	(0.17)	(0.02)
		Provision thereon	-	-	-	-	-	0.00	(0.03)	0.17	(0.11)	0.03	0.00	(0.03)	0.17	(0.11)	0.03
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(5.21)	-	(0.00)	(0.00)	(5.22)	(5.21)	-	(0.00)	(0.00)	(5.22)
		Provision thereon	-	-	-	-	-	(1.45)	-	0.01	(0.01)	(1.46)	(1.45)	-	0.01	(0.01)	(1.46)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2023 and hence need not be shown as restructured standard advances at the beginning of the next FY 2024	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2023-2024[1]	No. of borrowers	-	-	-	-	-	(24.00)	-	-	24.00	-	(24.00)	-	-	24.00	-
		Amount outstanding	-	-	-	-	-	(0.95)	-	-	0.46	(0.49)	(0.95)	-	-	0.46	(0.49)
		Provision thereon	-	-	-	-	-	(0.20)	-	-	0.37	0.17	(0.20)	-	-	0.37	0.17
7	Fully recovered / Write-offs of restructured accounts during the FY 2023-2024	No. of borrowers	-	-	-	-	-	(188.00)	(46.00)	(2.00)	(155.00)	(391.00)	(188.00)	(46.00)	(2.00)	(155.00)	(391.00)
		Amount outstanding	-	-	-	-	-	(10.40)	(2.56)	(0.26)	(4.66)	(17.88)	(10.40)	(2.56)	(0.26)	(4.66)	(17.88)
		Provision thereon	-	-	-	-	-	(1.74)	(2.17)	(0.13)	(3.82)	(7.86)	(1.74)	(2.17)	(0.13)	(3.82)	(7.86)
8	Restructured Accounts as on March 31 of the FY 2024(closing figures*)	No. of borrowers	-	-	-	-	-	138.00	1,31,112.00	4.00	84.00	1,31,338.00	138.00	1,31,112.00	4.00	84.00	1,31,338.00
		Amount outstanding	-	-	-	-	-	4.02	271.98	0.20	0.63	276.83	4.02	271.98	0.20	0.63	276.83
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	0.33	108.80	0.20	0.51	109.84	0.33	108.80	0.20	0.51	109.84

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]For accounts which have transitioned from one asset category to another, Mar'23 provision has been considered for previous asset category and Mar'24 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

No. of Accounts Restructured	Amount (₹ in crores)
138.00	4.02

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IIFL FINANCE LIMITED

Details for FY 2022-23

(₹ in crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY 2022 (opening figures)*	No. of borrowers	-	-	-	-	-	3,209.00	451.00	6.00	980.00	4,646.00	3,209.00	451.00	6.00	980.00	4,646.00
		Amount outstanding	-	-	-	-	-	203.46	109.12	0.41	37.21	350.20	203.46	109.12	0.41	37.21	350.20
		Provision thereon	-	-	-	-	-	34.89	43.36	0.21	29.71	108.17	34.89	43.36	0.21	29.71	108.17
2	Fresh restructuring during the year 2022-2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY 2022-2023[1]	No. of borrowers	-	-	-	-	-	4.00	(3.00)	1.00	(2.00)	-	4.00	(3.00)	1.00	(2.00)	-
		Amount outstanding	-	-	-	-	-	0.05	(0.05)	0.01	(0.01)	-	0.05	(0.05)	0.01	(0.01)	-
		Provision thereon	-	-	-	-	-	0.01	(0.01)	0.01	(0.01)	(0.00)	0.01	(0.01)	0.01	(0.01)	(0.00)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(12.34)	(0.21)	-	(0.02)	(12.57)	(12.34)	(0.21)	-	(0.02)	(12.57)
		Provision thereon	-	-	-	-	-	(0.47)	0.34	-	(0.01)	(0.14)	(0.47)	0.34	-	(0.01)	(0.14)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2022 and hence need not be shown as restructured standard advances at the beginning of the next FY 2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2022-2023[1]	No. of borrowers	-	-	-	-	-	(205.00)	26.00	3.00	176.00	-	(205.00)	26.00	3.00	176.00	-
		Amount outstanding	-	-	-	-	-	(9.07)	2.59	0.43	6.04	-	(9.07)	2.59	0.43	6.04	-
		Provision thereon	-	-	-	-	-	(1.49)	0.33	0.05	1.12	(0.00)	(1.49)	0.33	0.05	1.12	(0.00)
7	Fully recovered / Write-offs of restructured accounts during the FY 2022-2023	No. of borrowers	-	-	-	-	-	(2,662.00)	(424.00)	(6.00)	(937.00)	(4,029.00)	(2,662.00)	(424.00)	(6.00)	(937.00)	(4,029.00)
		Amount outstanding	-	-	-	-	-	(161.53)	(108.86)	(0.57)	(38.22)	(309.18)	(161.53)	(108.86)	(0.57)	(38.22)	(309.18)
		Provision thereon	-	-	-	-	-	(29.22)	(41.81)	(0.11)	(26.74)	(97.88)	(29.22)	(41.81)	(0.11)	(26.74)	(97.88)
8	Restructured Accounts as on March 31 of the FY 2023(closing figures*)	No. of borrowers	-	-	-	-	-	346.00	50.00	4.00	217.00	617.00	346.00	50.00	4.00	217.00	617.00
		Amount outstanding	-	-	-	-	-	20.57	2.60	0.28	5.01	28.46	20.57	2.60	0.28	5.01	28.46
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	3.72	2.20	0.15	4.08	10.15	3.72	2.20	0.15	4.08	10.15

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]For accounts which have transitioned from one asset category to another, Mar'22 provision has been considered for previous asset category and Mar'23 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

No. of Accounts Restructured	Amount (₹ in crores)
346	20.57

(xix) Asset Classification (₹ in crores)

Particulars	Outstanding Balance	Provision
Standard Assets	17,952.04 (14,377.42)	254.61 (392.62)
Sub-Standard Assets	701.92 (181.12)	375.37 (94.36)
Doubtful Assets	32.94 (14.44)	26.49 (11.51)
Loss Assets	2.44 (6.93)	2.44 (6.93)

Note:

a. ECL provisioning for Stage 1,2 of ₹ 254.61 crores (P.Y ₹ 392.62 crores) consists of interest accrued but not due and interest overdue of ₹ 35.26 crores (P.Y ₹ 45.17 crores).

b. Asset classification is as per Reserve Bank of India guidelines and provision is as per Expected Credit Loss methodology as per IND AS which is higher than the minimum required as per prudential norms.

c. Figures in bracket represent previous year's figures.

(xx) Schedule to the Balance Sheet as per Para 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid: (₹ in crores)

Particulars	March 31, 2024				March 31, 2023			
	Principal Amount outstanding (net of unamotised debenture issue expenses)	Interest Accrued but not due	Amount overdue	Total	Principal Amount outstanding (net of unamotised debenture issue expenses)	Interest Accrued but not due	Amount overdue	Total
Liability side:								
a) Debentures								
Secured	3,346.62	154.82	-	3,501.44	5,022.47	171.62	-	5,194.09
Unsecured (other than falling within the meaning of public deposits)	1,594.26	109.51	-	1,703.77	1,567.97	91.54	-	1,659.51
(b) Deferred credits	-	-	-	-	-	-	-	-
(c) (i)Term loans from Banks	10,268.57	43.92	-	10,312.49	7,944.48	6.75	-	7,951.23
(ii)Term loans from Financial Institutions	168.93	0.69	-	169.62	155.56	1.10	-	156.66
(ii)Term loans from other parties	1,250.94	16.44	-	1,267.38	1,232.55	5.49	-	1,238.04
(d) Inter-corporate loans and borrowings	-	-	-	-	-	-	-	-
(e) Commercial Paper	839.02	-	-	839.02	-	-	-	-
(f) Other Loans (Overdraft)	2,083.04	0.24	-	2,083.28	620.75	0.12	-	620.87
(g) Securitisation	133.90	-	-	133.90	560.10	-	-	560.10
Total	**19,685.28**	**325.62**	**-**	**20,010.90**	**17,103.88**	**276.62**	**-**	**17,380.50**

2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): Not applicable

3. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]: (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Assets side (Gross Value)		
(a) Secured	12,789.64	12,811.18
(b) Unsecured	6,212.08	2,358.68
Total	**19,001.72**	**15,169.86**

4. Break- up of leased assets and stock on hire and other assets counting towards AFC activities: (₹ in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(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 AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5. Break–up of Investments (Net of provision):

(₹ in crores)

Particulars	As at March 31,2024	As at March 31,2023
Current Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	24.13	-
(b) Preference	-	-
(ii) Debentures and Bonds	54.72	138.09
(iii) Units of mutual funds	0.00	0.00
(iv) Government Securities	5.05	5.04
(v) Others (Certificate of Deposits)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Total (A)	**83.90**	**143.13**
Long Term 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 of subsidiary companies	2,107.81	1,907.81
(b) Preference of subsidiary companies	-	-
(c) Preference of other companies	40.16	38.17
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others		
(a) Security Receipts	2,911.03	719.33
(b) Alternative Investment Funds	13.68	971.24
Total (B)	**5,072.68**	**3,636.55**
Grand Total (A+B)	**5,156.58**	**3,779.68**

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6. Borrower Group-wise Classification of all assets financed as in (2) and (3) above: (₹ in crores)

Category	As at March 31,2024			As at March 31,2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties	-	0.01	0.01	-	0.14	0.14
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	0.01	0.01	-	0.14	0.14
2. Other than related parties	12,789.63	6,212.07	19,001.71	12,811.18	2,358.54	15,169.73
Total	**12,789.63**	**6,212.08**	**19,001.72**	**12,811.18**	**2,358.68**	**15,169.86**

7. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted) :

(₹ in crores)

Category	As at March 31,2024		As at March 31,2023	
	Market Value Breakup or fair value or NAV	Book value (Net of provisions)	Market Value Breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties				
a) Subsidiaries*	2,107.81	2,107.81	1,907.81	1,907.81
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	3,055.86	3,048.77	2,201.78	1,871.88
Total	**5,163.67**	**5,156.58**	**4,109.59**	**3,779.69**

* Includes investments in equity shares of subsidiaries carried at cost.

8. Other Information: (₹ in crores)

Particulars	As at March 31,2024	As at March 31,2023
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties*	737.30	202.49
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	332.99	89.69
(iii) Assets acquired in satisfaction of debt (Fair Value)	164.40	164.40

* Includes Interest of ₹ 84.06 crores (P.Y ₹ 21.17 crores)

(xxi) Particulars as per RBI Directions for auction details (As required in terms of paragraph 37.4.4 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as may be amended from time to time

Particulars	March 31,2024	March 31,2023
Number of gold loan accounts	83,052	1,47,873
Outstanding amount (₹ crores)	443.55	810.22
Amount recovered in auction (₹ crores)	481.48	894.41

In the above disclosures, figures for march 31, 2023, have been reinstated. The previously reported numbers had an inadvertent error, which has been corrected herein. This correction has no financial impact on the year 2022-23

None of the sister concerns have participated in the above auctions.

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xxii) Related Party Transactions disclosure:

Particulars/Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management		Relatives of Director		Director		Others		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Borrowings#	NA	NA	2,550.00	300.00	100.00	-	-	-	-	-	-	-	-	-	2,650.00	300.00
Advances#			300.00	100.00	1,225.00	1,765.00	-	-	-	-	-	-	-	-	1,525.00	1,865.00
Investments#			266.22	497.48	-	-	-	-	-	-	-	-	-	-	266.22	497.48
Purchase of fixed/other assets			0.57	0.67	0.23	0.34	-	-	-	-	-	-	-	-	0.80	1.01
Sale of fixed/other assets			0.08	0.32	0.12	1.54	-	-	-	-	-	-	-	-	0.20	1.86
Interest paid			28.37	1.07	0.24	1.73	-	-	-	-	-	-	-	-	28.61	2.80
Interest received			6.24	1.03	4.32	8.61	-	-	0.02	0.04	-	-	-	-	10.57	9.68
Others			388.13	217.08	104.97	60.70	14.08	13.91	0.04	-0.00	2.19	1.03	-	-	509.41	292.71
Total	-	-	3,539.61	1,117.64	1,434.88	1,837.91	14.08	13.91	0.06	0.03	2.19	1.03	-	-	4,990.81	2,970.53

Closing Balance & Maximum outstanding during the year:

Related party	Subsidiaries				Associates/ Joint ventures/Group Companies				Key Management				Relatives of Director				Director				Others*			
	Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding		Outstanding Balance		Maximum outstanding	
Item	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Borrowings	-	-	1,300.00	300.00	-	6.10	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	300.00	100.00	-	-	500.00	800.00	-	-	-	-	0.01	0.15	0.15	0.20	-	-	-	-	-	-	-	-
Investments	2,147.97	1,945.98	2,147.97	1,945.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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49. Unhedged Foreign Currency Exposure:

The unhedged foreign currency exposure as on March 31, 2024 is 1.87 crore (P.Y Nil).

50. Gold Loan Portfolio

As on March 31, 2024 the gold loan portfolio comprises 34.83 % (P.Y. 34.59 %) of the total assets of the Company.

51. Segment Reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the IND AS 108 on 'Segment Reporting'.

52. Shared services

The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

53. Fraud

During the year under review, the Company had come across frauds totaling to ₹ 6.66 Crores (P.Y. ₹ 4.24 Crores) in respect of its lending operations. Out of the above, frauds amounting to ₹ 0.20 Crores (P.Y. ₹ 0.27 Crores) has already been recovered. Suitable action has been taken by the Company to recover the balance amounts.

54. 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 March 31, 2024	Maximum Outstanding during the year
5paisa Capital Limited	-	150.00
IIFL Securities Limited	-	350.00
IIFL Samasta Finance Limited	-	300.00

(₹ in crores)

Name of Related Party	Outstanding as on March 31, 2023	Maximum Outstanding during the year
5paisa Capital Limited	-	400.00
IIFL Securities Limited	-	400.00
IIFL Samasta Finance Limited	-	100.00

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55. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

(₹ in crores)

Number of Significant Counterparties	Amount*	% of Total Deposits	% of Total Liabilities
19	15,059.15	NA	68.47%
(14)	(9,760.63)	NA	(51.46%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(ii) Top 20 large deposits N.A (N.A)

(iii) Top 10 borrowings:

Particulars	Amount *	% of Total Borrowings
Top 10 Borrowings (₹ in crores)	11,634.99	58.14%
	(8,797.40)	(50.62%)

* The above table excludes details of benefeciary holders of the secured medium term note bonds

(iv) Funding Concentration based on significant instrument/product:

(₹ in crores)

Name of the instrument/product	Amount	% of Total Liabilities
Non Convertible Debentures	6,456.15	29.36%
	(6,853.60)	(36.13%)
Term Loans	10,498.79	47.74%
	(9,346.05)	(49.27%)
Securitisation	133.90	0.61%
	(560.10)	(2.95%)
Commercial Paper	839.02	0.04
	-	-
Cash Credit / Overdraft Facilties	2,083.04	9.47%
	(620.75)	(3.27%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(v) Stock Ratios:

Particulars	As at March 31, 2024	As at March 31, 2023
Commercial papers as a % of total liabilities	3.87%	Nil
Commercial papers as a % of total assets	3.08%	Nil
Commercial papers as a % of total public funds	4.25%	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
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Other short-term liabilities* as a % of total liabilities	7.40%	6.86%
Other short-term liabilities* as a % of total assets	5.90%	5.40%
*Other short-term liabilities as a % of total public funds	8.14%	7.49%

* Short Term liabilities means total of current liabilities as per note 46.1 & 46.2 to the financial statements as reduced by current portion of Debt Securities,Borrowings (other than debt securities) and Subordinated Liabilities.

(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 board meetings are held once in a quarter or more frequently as warranted from time to time.

Note: Figures in bracket represent previous year's figures.

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56. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020:

As on March 31, 2024

(₹ in crores)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	16,049.17	604.97	16,654.14	186.52	23.96	210.48	16,443.66	66.62	143.86
	Stage 2	1,140.00	157.90	1,297.90	32.83	11.30	44.13	1,253.77	5.19	38.94
Subtotal		17,189.17	762.87	17,952.04	219.35	35.26	254.61	17,697.43	71.81	182.80
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	628.42	73.50	701.92	301.87	73.50	375.37	326.55	64.94	310.43
Doubtful										
Upto 1 Year	Stage 3	14.41	5.19	19.60	8.53	5.19	13.72	5.88	5.84	7.88
1 to 3 years	Stage 3	4.24	2.11	6.35	3.67	2.11	5.78	0.57	3.49	2.29
More than 3 years	Stage 3	4.15	2.84	6.99	4.15	2.84	6.99	0.00	3.25	3.74
Doubtful (Sub- Total -(B))		22.80	10.14	32.94	16.35	10.14	26.49	6.45	12.58	13.91
Loss (Sub- Total -(C))	Stage 3	2.01	0.43	2.44	2.01	0.43	2.44	0.00	2.01	0.43
Subtotal of NPA (Sub- Total -(A+B+C))		653.23	84.07	737.31	320.23	84.07	404.30	333.00	79.53	324.77
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-
Total	Stage 1	16,049.17	604.97	16,654.14	186.52	23.96	210.48	16,443.66	66.62	143.86
	Stage 2	1,140.00	157.90	1,297.90	32.83	11.30	44.13	1,253.77	5.19	38.94
	Stage 3	653.23	84.07	737.31	320.23	84.07	404.30	333.00	79.53	324.77
	Total	17,842.40	846.94	18,689.35	539.58	119.32	658.91	18,030.43	151.34	507.57

CHHAJED & DOSHI * CHARTERED ACCOUNTANTS * MUMBAI 400 069.

Sharp & Tannan Associates * Chartered Accountants * Regd. No. 109983W

IIFL FINANCE LIMITED

As on March 31, 2023

(₹ in crores)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	13,174.92	474.39	13,649.31	331.15	43.02	374.17	13,275.14	54.74	319.42
	Stage 2	691.63	36.47	728.11	16.30	2.15	18.45	709.66	2.77	15.68
Subtotal		13,866.55	510.86	14,377.42	347.45	45.17	392.62	13,984.80	57.51	335.11
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	165.05	16.07	181.12	78.29	16.07	94.36	86.76	19.39	74.97
Doubtful										
Upto 1 Year	Stage 3	4.31	0.66	4.97	2.43	0.66	3.09	1.88	2.43	0.66
1 to 3 years	Stage 3	2.69	0.80	3.49	2.09	0.80	2.89	0.60	2.03	0.87
More than 3 years	Stage 3	3.15	2.83	5.98	2.70	2.83	5.53	0.45	2.50	3.03
Doubtful (Sub- Total -(B))		10.15	4.29	14.44	7.23	4.29	11.51	2.93	6.96	4.55
Loss (Sub- Total -(C))	Stage 3	6.13	0.81	6.93	6.13	0.81	6.93	-	6.13	0.81
Subtotal of NPA (Sub- Total -(A+B+C))		181.33	21.17	202.49	91.64	21.17	112.81	89.69	32.47	80.33
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-
Total	Stage 1	13,174.92	474.39	13,649.31	331.15	43.02	374.17	13,275.14	54.74	319.42
	Stage 2	691.63	36.47	728.11	16.30	2.15	18.45	709.66	2.77	15.68
	Stage 3	181.33	21.17	202.49	91.64	21.17	112.81	89.69	32.47	80.33
	Total	14,047.88	532.03	14,579.91	439.08	66.34	505.42	14,074.48	89.98	415.44

57. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated Nov 04, 2019:

Liquidity Risk Management Framework

As on March 31, 2024

(₹ in crores)

Sr. No.	Particulars	As at March 31, 2024 Total Unweighted Value (average)	As at March 31, 2024 Total Weighted Value (average)	As at December 31, 2023 Total Unweighted Value (average)	As at December 31, 2023 Total Weighted Value (average)	As at September 30, 2023 Total Unweighted Value (average)	As at September 30, 2023 Total Weighted Value (average)	As at June 30, 2023 Total Unweighted Value (average)	As at June 30, 2023 Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**629.87**	**629.87**	**613.45**	**613.45**	**621.87**	**621.87**	**793.41**	**793.41**
	Cash and Bank Balance	556.67	556.67	598.32	598.32	549.44	549.44	675.30	675.30
	Investments	73.20	73.20	15.13	15.13	72.43	72.43	118.11	118.11
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	431.54	496.27	89.67	103.13	65.76	75.63	3.30	3.79
4	Secured wholesale funding	290.58	334.16	234.94	270.18	226.55	260.53	871.20	1,001.88
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	58.34	67.10	594.24	683.37	482.75	555.16	33.55	38.59
6	Other contractual funding obligations	357.80	411.48	1,077.61	1,239.25	1,116.24	1,283.67	1,147.73	1,319.89
8	**Total Cash outflows**	**1,138.26**	**1,308.99**	**1,996.46**	**2,295.93**	**1,891.30**	**2,174.99**	**2,055.78**	**2,364.15**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,233.02	924.77	2,036.27	1,527.20	1,902.09	1,426.57	1,866.48	1,399.86
11	Other cash inflows	3,332.35	2,499.27	4,238.00	3,178.50	3,503.69	2,627.77	-	2,499.27
12	**Total Cash Inflows**	**4,565.37**	**3,424.03**	**6,274.27**	**4,705.70**	**5,405.78**	**4,054.34**	**1,866.48**	**3,899.13**

			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		629.87		613.45		621.87		793.41
14	Total Net Cash Outflows		327.25		573.98		543.75		591.04
15	Liquidity Coverage Ratio(%)		192.47%		106.88%		114.37%		134.24%

(₹ in crores)

As on March 31, 2023

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 September 30, 2022 Total Unweighted Value (average)	As at September 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)**	**1,354.90**	**1,354.90**	**806.09**	**806.09**	**1,111.46**	**1,111.46**	**1,596.15**	**1,596.15**
	Cash and Bank Balance	1,131.52	1,131.52	298.76	298.76	686.62	686.62	1,484.71	1,484.71
	Unencumbered Fixed Deposits	73.62	73.62	352.03	352.03	124.89	124.89	111.43	111.43
	Investments	149.76	149.76	155.30	155.30	299.95	299.95	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	15.65	18.00	20.87	24.00	-	-
4	Secured wholesale funding	461.24	530.42	175.44	201.75	203.73	234.29	320.87	369.00
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	412.64	474.54	461.13	530.30	608.92	700.26	713.61	820.65
6	Other contractual funding obligations	1,561.66	1,795.91	1,130.72	1,300.33	1,223.74	1,407.30	1,177.65	1,354.29
8	**Total Cash outflows**	**2,435.54**	**2,800.87**	**1,782.94**	**2,050.38**	**2,057.26**	**2,365.85**	**2,212.13**	**2,543.94**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,885.47	1,414.10	1,130.97	848.23	1,038.19	778.64	900.21	675.16
11	Other cash inflows	1,022.54	766.91	1,181.02	885.76	1,321.13	990.85	1,683.08	1,262.31
12	**Total Cash Inflows**	**2,908.01**	**2,181.01**	**2,311.99**	**1,733.99**	**2,359.32**	**1,769.49**	**2,583.29**	**1,937.47**

			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		1,354.90		806.09		1,111.46		1,596.15
14	Total Net Cash Outflows		700.22		512.60		596.35		635.99
15	Liquidity Coverage Ratio(%)		193.50%		157.26%		186.38%		250.97%

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 implemented the LCR framework and has maintained LCR well above the regulatory threshold.

HQLA comprises of unencumbered Bank Balances, Cash in Hand and 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.

58. Disclosure pursuant to (Securitisation of Standard Assets) Reserve Bank of India Circular no./Directions, 2021 RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - September 24, 2021

(₹ in crores)

Sr. No.	Particulars	As on 31st March 2024	As on 31st March 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	1	2
2	Total amount of securitised assets as per books of the SPEs	135.45	564.26
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	Other amount of Secturised assets as per the books of SPV sponsored by the company	-	-
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	23.33	52.80
	• Others	25.00	80.00
4	**Amount of exposures to securitisation transactions other than MRR**	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
	Sale consideration received	308.33	
	Gain/loss on sale on account of securitisation	-	
6	Outstanding value of services provided by way of post-securitisation asset servicing.	-	
7	Performance of facility provided:-		
	Credit enhancement		
	(a) Amount paid	23.33	52.80
	(b) Repayment received	Nil	Nil
	(c) Outstanding amount	23.33	52.80
	% of total value of facility provided	7.57%	6.60%
8	Average default rate of portfolios observed in the past.	Nil	Nil
9	Amount and number of additional/top up loan given on same underlying asset.	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

CHHAJED & DOSHI MUMBAI CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

59. Disclosure pursuant to Reserve Bank of India Circular no. 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:

As at March 31, 2024

(₹ in crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	0.14	0.01	0.01	0.11	0.01
Corporate Loans *	8.30	0.51	0.59	3.14	4.06
of which, MSME's	8.26	0.51	0.59	3.11	4.05
Others	0.02	-	0.00	0.02	0.00
Total	**8.46**	**0.52**	**0.60**	**3.27**	**4.07**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As at March 31, 2023

(₹ in crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	2.08	0.96	0.39	0.27	0.46
Corporate Loans *	48.07	5.02	14.30	8.73	20.06
of which, MSME's	43.48	4.72	14.30	8.16	16.32
Others	0.13	-	0.06	0.02	0.04
Total	**50.28**	**5.98**	**14.75**	**9.03**	**20.57**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

60. Disclosure pursuant to (Transfer of Loan Exposures) Reserve Bank of India Circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

(a) Details of transferred through assignment in respect of loans not in default:

For FY-2023-24

(₹ in crores)

Particulars	Direct assignment FY 2023-24	PTC FY 2023-24
Count of Loan accounts assigned	9,32,133	25,226
Amount of loan accounts assigned (₹ in crores)	10,032.57	333
Weighted average maturity (in months)	17	21
Weighted average holding period (in months)	3	3
Retention of beneficial economic interest	10%	0
Coverage of tangible security coverage	100%	1
Rating-wise distribution of rated loans	Unrated	Rated
Break-up of loans transferred / acquired through assignment / novation and loan participation	Assignment deals	Securitisation deal
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil	Nil

For FY-2022-23

(₹ in crores)

Particulars	Direct assignment FY 2022-23	PTC FY 2022-23
		-
Count of Loan accounts assigned	11,10,696	-
Amount of loan accounts assigned (₹ in crores)	11,181.28	-
Weighted average maturity (in months)	18	-
Weighted average holding period (in months)	3	-
Retention of beneficial economic interest	10%	-
Coverage of tangible security coverage	100%	-
Rating-wise distribution of rated loans	Unrated	-
Break-up of loans transferred / acquired through assignment / novation and loan participation	Assignment deals	-
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any	Nil	-

CHHAJED & DOSHI CHARTERED ACCOUNTANTS

Sharp & Tannan Associates Regn. No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

Details of stressed loans transferred during the year:
For FY-2023-24

(₹ in crores)

Particulars	As on 31st March 2024			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	24,602	23	-	-
Aggregate principal outstanding of loans transferred	106.49	1,782.22	-	-
Weighted average residual tenor of the loans transferred	1.53	2.48	-	-
Net book value of loans transferred (at the time of transfer)	61.60	2,085.82	-	-
Aggregate consideration	2270.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transfer	-	-	-	-

Note:- In addition to above, the company has transferred 66,924 additional loans which have been written off, having an amount outstanding of Rs. 315.1 Cr which were part of above consideration.

For FY-2022-23

(₹ in crores)

Particulars	As on 31st March 2023			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	6,391	9	-	-
Aggregate principal outstanding of loans transferred	245.90	631.38	-	-
Weighted average residual tenor of the loans transferred	0.71	2.18	-	-
Net book value of loans transferred (at the time of transfer)	134.14	761.49	-	-
Aggregate consideration	885.00		-	-
Additional consideration realized in respect of accounts transferred in	-	-	-	-
Excess Provision reversed on account of transfer	-	-	-	-

Note:- In addition to above, the company has transferred 6,359 additional loans which have been written off, having an amount outstanding of ₹ 150.5 Cr which were part of above

(c) The Company has not acquired any stressed loan during the year and previous year.

(d) Details on recovery ratings assigned for Security Receipts (SR)

For FY-2023-24

Recovery Rating	Anticipated recovery as per recovery rating	Book Value (₹ in crores)
RR2^	75% - 100%	931.68
RR1^	100% - 150%	11.73
Unrated #	100% - 150%	1,967.61
Total		**2,911.03**

^ Recovery rating is as assigned by external rating agency
# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

For FY-2022-23

Recovery Rating	Anticipated recovery as per recovery rating	Book Value (₹ in crores)
RR2^*	75% - 100%	325.40
RR2^	75% - 100%	488.82
RR1^	100% - 150%	22.92
Unrated #	100% - 150%	212.50
Total		**1,049.64**

^ Recovery rating is as assigned by external rating agency
# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.
* Fully provided for

61. Intra-group Exposures

(₹ in crores)

Particulars	FY 2023-24	FY 2022-23
Total amount of intra-group exposures	2,533.83	2,497.49
Total amount of top 20 intra-group exposures	2,533.83	2,497.49
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	13.99%	17.61%

CHHAJED & DOSHI MUMBAI CHARTERED ACCOUNTANTS

Sharp & Tannan Associates ICAI Regn. No. 109983W Chartered Accountants

IIFL FINANCE LIMITED

62. Disclosure required under point 4.3 of Annex XXII- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 as amended from time to time - "Related Party Disclosure" is covered under note no. 44, 44.1 and 44.2 of the notes to financial statements.

63. Wherever amount is less than ₹ 0.01 crores, shown as ₹ 0.00.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairperson & Non-executive Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Mauli Agarwal

Mauli Agarwal
Company Secretary & Compliance Officer

Place : Mumbai
Dated: June 15, 2024

IIFL FINANCE LIMITED

Sharp & Tannan Associates
ICAI Regn. No. 109983W
Chartered Accountants

CHHAJED & DOSHI
MUMBAI 400 069.
CHARTERED ACCOUNTANTS

IIFL Finance Limited

Consolidated Financial Statements

as on 31st March, 2023

(₹ in Crores)

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines,
Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg,
Near East West Flyover, Andheri (East)
Mumbai – 400 069

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Finance Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of IIFL Finance Limited (hereinafter referred to as the 'Holding Company") its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2023, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity (including Other Comprehensive Income) and the consolidated Cash Flows statement for the year then ended, and notes to the consolidated Financial Statements, including a summary of 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 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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, 2023. 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 'Auditors' 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 procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us 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.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

A. **Key audit matters of the Holding Company**

Sr.no	Key Audit Matter	Response to Key Audit Matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**Impairment of Financial Assets held at amortised cost:** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. **(Refer Note 37A.3 to the Standalone Financial Statements.).**	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our understanding of the business. We assessed the design and implementation of key Internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

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B. **Key audit matters of Subsidiary Company – IIFL Home Finance Ltd**

Sr.no	Key Audit Matter	Response to Key Audit Matter
1	**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. 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	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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	being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.	
2	**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.

C. **Key audit matters of Subsidiary Company – IIFL Samasta Finance Ltd**

Sr.no	Key Audit Matter	Response to Key Audit Matter
1	**Expected Credit Loss**	
	As at 31 March 2023, the Company has total gross loan assets of Rs. 7,998.53 crores (2022: Rs. 5,772.72 crores) against which an Expected Credit Loss ('ECL') of Rs. 257.22 crores (2022 Rs. 254.80 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,	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

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	depending on 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 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.	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 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.

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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 Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis report, but does not include the consolidated financial statements, standalone 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

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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 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 the respective company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the respective company 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 are responsible for overseeing the financial reporting process of the respective company.

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, 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 financial controls 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 and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system 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.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 current period 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 Matters

The financial statements of four subsidiary companies have been audited by other auditors. The financial statements of the said subsidiary companies reflect total assets of Rs. 30,850.31 crs as at March 31, 2023, Group's share of total revenue of Rs. 4,371.23 crs, Group's share of total net profit of Rs. 933.45 crs and Group's share of total comprehensive income of Rs. 944.81 crs and net cash inflows Rs. 16.55 crs for the year ended on the date as considered in the consolidated financial statements. The reports of auditors of the said subsidiary companies 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 these subsidiary companies and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

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 with respect to our reliance on the work done and the reports of the other auditors.

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 report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, to the extent applicable, that:

   a) We/the other 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 consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.

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c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 the 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 31st March, 2023 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 companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

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 managerial remuneration paid by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid by the subsidiaries incorporated in India to their 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 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated financials statements– Refer Note 38 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 Holding Company and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiaries 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 subsidiaries respectively that, to the best of its knowledge and belief, 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 subsidiaries 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 Holding Company or any of

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such subsidiaries ('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 subsidiaries 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 subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' 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 its subsidiaries is in compliance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the statutory auditors of the four subsidiary companies which are companies incorporated in India, included in the consolidated financial statement 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 for those as stated below:

Sr. no	Name	CIN	Holding Company/subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	IIFL Finance Limited	L67100MH1995PLC093797	Holding Company	3(iii)(c) & (d)
2	IIFL Home Finance Limited	U65993MH2006PLC166475	Subsidiary	3(iii)(c) & (d) 3(vii)(a)

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3	IIFL Samasta Finance Limited	U65191KA1995PLC057884	Subsidiary	3(iii)(c) & (d)
4	IIHFL Sales Limited	U74999MH2021PLC368361	Fellow Subsidiary	3(vii)(a)

For V Sankar Aiyar & Co. Chartered Accountants (FRN: 109208W) G. Sankar Partner M. No.046050 Place: Mumbai Date: April 26,2023 UDIN: 23046050BGTZVB1965	For Chhajed & Doshi Chartered Accountants (FRN: 101794W) M. P. Chhajed Partner M. No. 049357 Place: Mumbai Date: April 26,2023 UDIN: 23049357BGSKWL4844

Annexure to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Finance Limited on the consolidated accounts for the year ended 31st March 2023

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 over financial reporting of IIFL Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (hereinafter collectively referred to as "the Group") as of March 31st, 2023, which are Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies 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 ("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, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are incorporated in India, 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 over financial reporting of the Holding Company and its subsidiary companies which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other matters paragraph below , the Holding Company and subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 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.

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Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies incorporated in India, is based solely on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For V Sankar Aiyar & Co. Chartered Accountants (FRN: 109208W) G. Sankar Partner M. No.046050 Place: Mumbai Date: April 26, 2023 UDIN: 23046050BGTZVB1965	For Chhajed & Doshi Chartered Accountants (FRN: 101794W) M. P. Chhajed Partner M. No. 049357 Place: Mumbai Date: April 26, 2023 UDIN: 23049357BGSKWL4844

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(₹ in crores)

Sr. No	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
	Assets			
[1]	**Financial assets**	-		
(a)	Cash and cash equivalents	4	3,930.67	6,211.64
(b)	Bank balance other than (a) above	5	2,208.36	1,945.29
(c)	Derivative financial instruments	6	223.58	74.28
(d)	Receivables			
	(i) Trade receivables	7	121.43	183.20
	(ii) Other receivables	7	151.96	15.80
(e)	Loans	8	40,001.11	33,692.89
(f)	Investments	9	3,511.00	1,192.16
(g)	Other financial assets	10	1,615.55	924.05
			51,463.66	**44,239.31**
[2]	**Non-financial assets**			
(a)	Current tax assets (net)		239.59	234.17
(b)	Deferred tax assets	11	122.67	285.82
(c)	Investment property	12	296.04	295.19
(d)	Property, plant and equipment	13	176.13	150.52
(e)	Capital work-in-progress	13.1	27.40	5.64
(f)	Right to use assets	14	386.60	327.53
(g)	Other intangible assets	15	3.38	2.11
(h)	Other non-financial assets	16	272.53	352.60
(i)	Assets held for sale	17	13.32	17.55
			1,537.66	**1,671.13**
	Total Assets		**53,001.32**	**45,910.44**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6	42.37	164.39
(b)	Payables			
	(I)Trade payables	18		
	(i) total outstanding dues of micro enterprises and small enterprises		3.02	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		194.28	142.43
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	9.91
(c)	Finance lease obligation	14	413.43	360.68
(d)	Debt securities	19	7,925.30	7,838.08
(e)	Borrowings (other than debt securities)	20	28,476.27	25,319.37
(f)	Subordinated liabilities	21	3,202.42	2,568.05
(g)	Other financial liabilities	22	2,030.24	2,820.54
			42,287.33	**39,223.45**
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		45.82	50.21
(b)	Provisions	23	84.77	64.11
(c)	Deferred tax liabilities	11	0.61	-
(d)	Other non-financial liabilities	24	380.65	102.94
			511.85	**217.26**
	Total Liabilities		**42,799.18**	**39,440.71**
[3]	**Equity**			
(a)	Equity share capital	25	76.09	75.92
(b)	Other equity	25.1	8,915.97	6,387.91
(c)	Non-controlling interest	25.1	1,210.08	5.90
			10,202.14	**6,469.73**
	Total Liabilities and Equity		**53,001.32**	**45,910.44**
See accompanying notes forming part of the financial statements		1 - 47		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

G. Sankar
Partner
Membership No. 046050

M.P. Chhajed
Partner
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crores)

Sr. No	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from operations			
(i)	Interest income	26.1	7,369.27	6,134.53
(ii)	Dividend income	26.2	0.00	0.00
(iii)	Fees and commission income	27	228.52	153.20
(iv)	Net gain on fair value changes	28	147.25	155.77
(v)	Net gain on derecognition of financial instruments under amortised cost category	31	513.81	411.23
(I)	**Total revenue from operations**		**8,258.85**	**6,854.73**
(II)	Other income	29	188.26	168.88
(III)	**Total Income (I+II)**		**8,447.11**	**7,023.61**
	Expenses			
(i)	Finance costs	30	3,221.83	2,991.00
(ii)	Net loss on derecognition of financial instruments under amortised cost category	31	934.99	904.22
(iii)	Impairment on financial instruments	32	(68.86)	0.59
(iv)	Employee benefits expenses	33	1,329.50	930.74
(v)	Depreciation, amortisation and impairment	12, 13, 14 & 15	152.59	121.70
(vi)	Others expenses	34	764.54	539.38
(IV)	**Total Expenses**		**6,334.59**	**5,487.63**
(V)	**Profit before tax (III-IV)**		**2,112.52**	**1,535.98**
	Tax expense:			
	(1) Current tax	35	362.70	327.78
	(2) Deferred tax	11 & 35	144.68	19.38
	(3) Current tax expenses relating to previous years	35	(2.41)	0.57
(VI)	**Total tax expense**		**504.97**	**347.73**
(VII)	**Profit for the year (V-VI)**		**1,607.55**	**1,188.25**
	Attributable to:			
	Owners of the Company		1,500.30	1,187.89
	Non-controlling interest		107.25	0.36
(VIII)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit (liabilities)/assets	35	(2.69)	(0.04)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 35	0.68	0.01
	Subtotal (A)		**(2.01)**	**(0.03)**
	(B) (i) Items that will be reclassified to profit or loss			
	(a) Cash flow hedge (net)	35	46.45	(1.30)
	(b) Fair value of loans carried at FVTOCI	35	(0.75)	13.65
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 35	(11.50)	(3.11)
	Subtotal (B)		**34.20**	**9.24**
	Other Comprehensive Income (A+B)		**32.19**	**9.21**
(IX)	**Total Comprehensive Income for the year**		**1,639.74**	**1,197.46**
	Attributable to:			
	Owners of the Company		1,534.01	1,197.11
	Non-controlling interest		105.73	0.35
(X)	**Earnings per equity share of face value ₹ 2 each**	36		
	Basic (₹)		39.49	31.33
	Diluted (₹)		39.18	31.14
	See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 04[illegible]

CHHAJED & DOSHI * CHARTERED ACCOUNTANTS * MUMBAI 400 069.

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Notes	Year ended March 31, 2023		Year ended March 31, 2022	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			2,112.52		1,535.98
Adjustments for:					
Depreciation, amortisation and impairment	12, 13, 14 & 15	152.59		121.70	
Impairment on loans	32	(79.54)		(8.16)	
Impairment on other financial instruments		10.69		(8.58)	
(Profit)/ loss on sale of assets		(2.13)		(0.33)	
(Gain)/Loss on termination - Ind AS 116		(3.09)		-	
Net (Gain)/ loss on fair value changes on investment - realised		(82.68)		(77.20)	
Net (Gain)/ loss on fair value changes on investment - unrealised		(64.58)		0.13	
Net (Gain)/ loss on derecognition of financial instruments under amortised cost		(513.81)		(411.23)	
Employee benefit expenses - share based		(1.90)		3.10	
Employee benefit expenses - others		22.30		12.30	
Interest on loans		(6,978.79)		(5,971.71)	
Interest on deposits with banks	26.1	(167.32)		(90.01)	
Dividend Income	26.2	0.00		0.00	
Finance cost		3,226.30		2,735.46	
Interest expenses - Ind AS 116	30	34.62		30.79	
Loss/(Gain) on buy back of debentures (net)		(4.47)		(0.79)	
Income received on loans		7,083.51		6,576.39	
Interest received on deposits with banks		143.04		87.91	
Income received on investments		(7.20)		-	
Finance cost paid		(2,540.87)	226.67	(3,026.17)	(26.40)
Operating profit before working capital changes			2,339.19		1,509.58
Decrease/ (increase) in financial and non financial assets			(104.55)		(22.59)
Increase/ (decrease) in financial and non financial liabilities			(565.08)		621.46
Cash (used in)/ generated from operations			1,669.56		2,108.45
Taxes paid			(276.71)		(294.33)
Net cash (used in)/ generated from operating activities			1,392.85		1,814.12
Loans (disbursed)/ repaid (net)			(6,333.41)		(30.39)
Net cash (used in)/ generated from operating activities (A)			(4,940.56)		1,783.73
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(260.99)		(100.77)
Sale of property, plant and equipment and other intangible assets			2.82		1.17
Purchase of investment property			(0.85)		(24.51)
Proceeds/(Purchase) of investments			(2,165.13)		(1,075.23)
Dividend received			0.00		0.00
Proceeds/(Deposits) from maturity of deposits placed with Banks			(306.30)		203.55
Net cash (used in)/ generated from investing activities (B)			(2,730.45)		(995.79)
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital			2,285.95		8.60
Payment of Stamp duty			-		(8.34)
Premium on issue of debentures			(271.32)		-
Dividend paid (including dividend distribution tax)			(173.63)		(132.82)
Proceeds from debt securities			1,673.73		2,910.32
Repayment of debt securities			(1,877.83)		(3,274.14)
Proceeds from borrowings (other than debt securities)			19,435.10		12,198.21
Repayment of borrowings (other than debt securities)			(16,363.64)		(9,123.99)
Proceeds from subordinated liabilities			376.64		705.82
Repayment of subordinated liabilities			-		(410.97)
Payment of lease liability			21.22		(91.89)
Change in Minority Interest			(16.18)		-
Net cash (used in)/ generated from financing activities (C)			5,090.04		2,780.80
Net increase in cash and cash equivalents (A + B + C)			(2,580.97)		3,568.74
Add : Opening cash and cash equivalents as at the beginning of the year			6,211.64		2,642.90
Cash and cash equivalents as at the end of the year	4		3,630.67		6,211.64
See accompanying notes forming part of the financial statements	1 - 47				

In terms of our report attached
For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

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

A. Equity Share Capital

(₹ in crores)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2023 (refer note 25)	75.92	0.17	76.09
As at March 31, 2022 (refer note 25)	75.77	0.15	75.92

B. Other Equity

(₹ in crores)

Particulars	Share Application Money (Note 1)	Reserves & Surplus									Other Comprehensive Income			Total	Non-Controlling Interest
		Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 (Note 6)	Capital Redemption Reserve (Note 7)	Debenture Redemption Reserve (Note 8)	Retained Earnings (Note 9)	Stock Compensation Reserve (Note 10)	Effective portion of Cash Flow Hedges (Note 11)	Fair value of loans carried at FVTOCI	Remeasurements of defined benefit (Note 12)		
Balance as at April 01, 2021	-	83.89	1,840.98	653.15	640.25	287.37	230.11	12.80	1,589.93	15.91	(38.41)	(0.57)	(3.66)	5,311.75	5.92
Profit for the year	-	-	-	-	-	-	-	-	1,187.89	-	-	-	-	1,187.89	0.36
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(0.98)	10.22	(0.03)	9.21	(0.01)
Interim dividend	-	-	-	-	-	-	-	-	(132.82)	-	-	-	-	(132.82)	-
Change in minority	-	-	-	-	-	-	-	-	0.17	-	-	-	-	0.17	(0.37)
Share issue expenses	-	-	(8.34)	-	-	-	-	-	-	-	-	-	-	(8.34)	-
Transfer to/ from reserves	-	-	4.76	0.07	205.35	115.60	-	-	(312.66)	(4.82)	-	-	-	8.30	-
Addition during the year	-	-	8.45	-	-	-	-	-	-	3.10	-	-	-	11.55	-
Balance as at March 31, 2022	-	83.89	1,845.85	653.22	845.60	402.97	230.11	12.80	2,332.71	14.19	(39.39)	9.65	(3.69)	6,387.91	5.90
Profit for the year	-	-	-	-	-	-	-	-	1,500.10	-	-	-	-	1,500.10	107.25
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	34.76	(0.56)	(2.01)	32.19	(1.52)
Interim dividend	-	-	-	-	-	-	-	-	(173.63)	-	-	-	-	(173.63)	-
Change in minority	-	-	(689.64)	(29.36)	-	(92.39)	-	-	(287.07)	-	-	-	-	(1,098.46)	1,098.46
Share issue expenses	-	-	(24.13)	-	-	-	-	-	-	-	-	-	-	(24.13)	-
Transfer to/ from reserves	-	-	6.07	1.09	186.51	158.10	-	-	(344.61)	(7.16)	-	-	-	(0.00)	-
Addition during the year	-	-	2,289.17	-	-	-	-	-	-	2.62	-	-	-	2,291.79	-
Balance as at March 31, 2023	-	83.89	3,427.32	624.95	1,032.11	468.68	230.11	12.80	3,027.70	9.65	(4.63)	9.09	(5.70)	8,915.97	1,210.08

CHHAJED & DOSHI * CHARTERED ACCOUNTANTS * MUMBAI 400 069.

V. SANKAR AIYAR & CO. * CHARTERED ACCOUNTANTS * MUMBAI

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

Notes:

1. **Share application money pending allotment**: Money received for share application for which allotment is pending.

2. **Capital Reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.

3. **Securities Premium Reserve**: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve (including debenture premium). Total additions to Securities Premium is after netting of share issue expenses.

4. **General Reserve**: The reserve can be distributed/utilised by the Group, in accordance with the Companies Act, 2013

5. **Special Reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act 1934, being 20% of the profit after tax for the year of IIFL Finance Limited and Samasta Microfinance Limited has been transferred from Retained Earnings to Special Reserve.

6. **Special Reserve:** Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared.

7. **Capital Redemption Reserve**: This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.

8. **Debenture Redemption Reserve**: Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance Company ("NBFC") and Housing Finance Company ("HFC") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.

9. **Retained Earnings**: These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.

10. **Stock Compensation Reserve**: The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

11. **Effective portion of Cash Flow Hedges**: This reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

12. **Remeasurements of defined benefit:** This reserve 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.

See accompanying notes forming part of the financial statements (1 - 47)

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 04935

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Joint Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

Note 1. CORPORATE INFORMATION

Company overview

IIFL Finance Limited (the "Company/ Parent/ Holding Company") is a Systemically Important Non-Banking Financial Company not accepting public deposits ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on Mar 12, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities loans to small & medium enterprise ("SME"), Micro finance loans ("MFI") and digital finance loans.

Note 2. Basis of consolidation

i. Basis of preparation of financial statements

The consolidated financial statements relate to IIFL Finance Limited (the "Company") and its subsidiary/group companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Company has:

- 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Holding Company's voting rights and potential voting rights.
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("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 below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

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

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

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 standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Group 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 for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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 not traded in active market) 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.

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 consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2023.

d) The consolidated financial statements of the Group 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) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired, and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

f) Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment.

Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary 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. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements. Goodwill arising on consolidation is not amortised but tested for impairment.

g) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

h) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

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iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2023, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2023 of following subsidiaries are included in consolidation:

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary		
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
IIFL Home Finance Limited (HFC)	Direct Subsidiary	India	100%	100%	100%
IIFL Samasta Microfinance Limited (Formerly Samasta Microfinance Limited) (Samasta)	Direct Subsidiary	India	99.51%	99.41%	99.09%
IIHFL Sales Limited	Step down Subsidiary	India	100%	100%	100%
IFL Open Fintech Private Limited	Direct Subsidiary	India	51.02%	NA	NA

iv. 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, judgments, 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.

v. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") and National Housing Bank ("NHB"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations require a different treatment.

vi. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies ("NBFC"). 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 consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI and NHB.

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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

Interest income on Direct assignment pool is recognised on time proportion basis net off amount payable to assignees.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 behavioural pattern and contractual terms of the instrument.

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.

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

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 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.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point- in-time basis and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

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. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, 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 recognises a collateralised borrowing for the proceeds received.

vi. Other operational revenue

Other operational revenue 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 original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Subsequent expenditure related to an item of PPE is added to its book value only if they

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increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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 / group of similar 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
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above 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.

An item of PPE 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 PPE 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.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest 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.

Intangible assets i.e., Software are amortised on straight-line basis over the estimated useful life of 3 years. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

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

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derecognised.

(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 net of accumulated depreciation of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) 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.

(f) Impairment of 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.

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 is subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it 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.

(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments 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 Group's estimate of equity instruments

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that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

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

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 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 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.

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(i) 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.

(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 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 is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this

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presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and 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

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when 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 the Statement of Profit and Loss.

Financial assets

Classification and 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.

Financial instruments 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 ("SPPI") 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

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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 Statement of profit and 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 and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus transaction cost attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is established.

Investments in equity instruments at FVTOCI

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On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Group's right to receive dividends is established.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

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. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is 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 measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:
- 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.

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- Loss given default ("LGD") estimates the normalised loss which Group incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

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 computation is as per the applicable prudential regulatory norms.

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. 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.

Modification and derecognition 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 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 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 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.

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.

Compound instruments

The component parts of compound instruments (e.g., convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.
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 Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(l) Cash and bank balances

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

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insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. 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 method.

(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 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(p) Segment reporting

The Group's primary business segments are reflected based on the principal business carried out i.e., financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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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 neither recognised nor disclosed in the consolidated financial statements.

(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) 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.

(t) 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.

(u) Derivative financial instruments and hedging

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 the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the

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recognition in the Statement of Profit and 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.

(v) 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

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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 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 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 statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor
Leases for which the Group is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group as a lessee

As a lessee, the Group leases assets which includes gold loan branches/office premises and vehicles to employees. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for these leases.

(w) Recent Accounting Pronouncements

On March 31, 2023, Ministry of Corporate Affairs ("MCA") has 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 period beginning on or after April 1, 2023. The company has evaluated the amendment 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 period 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 there is no impact on its standalone financial statements.

IND AS 12 – Income Taxes:

This amendment has narrowed the scope of 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 period beginning on or after April 1,2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

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

Note 4. Cash and Cash Equivalents

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
Cash on hand	60.73	50.20
Cheques on hand	105.74	-
Balance with Banks		
- In current accounts	1,209.17	3,920.92
- In deposit accounts	1,453.69	2,240.16
- Interest accrued on fixed deposits	1.37	0.36
CCIL Lending/Money at call or short notice	799.97	-
Total	**3,630.67**	**6,211.64**

Note 5. Bank Balance (other than cash and cash equivalents)

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks in earmarked accounts towards unclaimed amount on NCD and dividend	11.28	18.78
In deposit accounts (refer note 5.1)	2,160.84	1,914.54
Interest accrued on fixed deposits (refer note 5.1)	36.24	11.97
Total	**2,208.36**	**1,945.29**

Note 5.1 Out of the Fixed Deposits shown above

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien marked	1,795.94	1,294.89
Margin for credit enhancement	133.63	631.62
Other deposits	267.51	-
Total	**2,197.08**	**1,926.51**

Note 6: Derivative Financial Instruments

(₹ in crores)

Part I	As at March 31, 2023			As at March 31, 2022		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives:						
Spot and forwards	4,678.79	145.89	33.15	3,694.38	45.85	149.46
Cross Currency Interest Rate Swaps	363.08	44.02	-	363.08	-	5.06
(ii) Interest rate derivatives						
Forward Rate Agreements and Interest Rate Swaps	695.50	26.48	-	695.50	18.56	-
Options Purchased	4.32	9.22	9.22	4.32	9.87	9.87
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives						
Forward exchange contract	968.75	(2.03)	-	-	-	-
Total	6,710.44	223.58	42.37	4,757.28	74.28	164.39

(₹ in crores)

Part II	As at March 31, 2023			As at March 31, 2022		
	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) Fair value hedging						
Options Purchased*	4.32	9.22	9.22	4.32	9.87	9.87
(ii) Cash flow hedging						
Currency derivatives	5,041.87	189.91	33.15	4,057.46	45.85	154.52
Interest rate derivative	695.50	26.48	-	695.50	18.56	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives						
Currency derivative	-	-	-	-	-	-
Interest rate derivative	-	-	-	-	-	-
Forward exchange contract	968.75	(2.03)	-	-	-	-
Total	6,710.44	223.58	42.37	4,757.28	74.28	164.39

Credit Risk and Currency Risk

(₹ in crores)

	Total		Exchange Traded		Over the Counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2023						
Derivative Asset	3,493.17	223.58	4.32	9.22	3,488.86	214.36
Derivative Liabilities	3,221.59	42.37	4.32	9.22	3,217.27	33.14
As at March 31, 2022						
Derivative Asset	1,386.82	74.28	4.32	9.87	1,382.50	64.41
Derivative Liabilities	3,374.78	164.39	4.32	9.87	3,370.46	154.52

* Unsecured Non Convertible Debentures of ₹ 9.22 Crore (P.Y. ₹ 9.87 Crore) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

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6.1 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.

6.1.1 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. Interest on the borrowing is payable at a floating rate linked to the Benchmark Plus Margin. The Group economically 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 relating interest rate and currency risk 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 standards. These contracts are stated at fair value of the Spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the 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	6,706.12	4,752.95
Carrying amount	181.22	(90.11)
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	-	-

(₹ in crores)

Impact of hedging item	As at March 31, 2023	As at March 31, 2022
Change in fair value Profit/(Loss)	-	-
Cash flow hedge reserve Profit/(Loss)	12.45	9.60
Cost of hedging	(2.56)	-

(₹ in crores)

Effect of Cash flow hedge	As at March 31, 2023	As at March 31, 2022
Total hedging gain / (loss) recognised in OCI	34.76	(0.97)
Ineffectiveness recognised in profit or (loss)	(2.66)	-

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Note 7. Receivables

(₹ in crores)

Receivables	As at March 31, 2023	As at March 31, 2022
(i) Trade Receivables		
Receivables considered good - Secured	60.89	134.50
Receivables considered good - Unsecured*	59.63	48.39
Receivables considered good - significant increase in credit risk	0.10	0.39
Receivables - credit impaired	8.11	0.00
Total (i) - Gross	**128.73**	**183.28**
Less: Impairment loss allowance	(7.30)	(0.08)
Total (i) - Net	**121.43**	**183.20**
(ii) Other Receivables		
Receivables considered good - Unsecured	151.96	15.80

* including receivable from Group Companies (refer note 41.2)

Notes:

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person nor from any firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group had adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.
3. Trade receivables are non-interest bearing.

Note 7.1 Trade Receivables Ageing Schedule

(₹ in crores)

Particulars (As at March 31, 2023)	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)Undisputed Trade receivables – considered good	3.99	116.40	0.03	0.10	-	-	**120.52**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	0.10	-	-	-	-	**0.10**
(iii)Undisputed Trade Receivables – credit impaired	-	-	6.45	1.66	-	-	**8.11**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	3.99	**116.50**	**6.48**	**1.76**	-	-	**128.73**

(₹ in crores)

Particulars (As at March 31, 2022)	Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)Undisputed Trade receivables – considered good	4.64	178.12	0.11	0.02	-	-	**182.89**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	0.39	-	-	-	-	**0.39**
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	-	0.00	-	**0.00**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	4.64	**178.51**	**0.11**	**0.02**	**0.00**	-	**183.28**

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Note 8. Loans

(₹ in crores)

Particulars	As at March 31, 2023		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	31,914.84	6,984.42	38,899.26
(ii) Non Convertible Debentures - for financing real estate projects	1,202.46	-	1,202.46
(iii) Related Parties	0.14	-	0.14
(iv) Others (Dues from Customers etc)	1,216.48	-	1,216.48
Total (A) - Gross	**34,333.92**	**6,984.42**	**41,318.34**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 300.62 crore and Stage 3 Interest ₹ 85.95 crore)	(1,256.78)	(60.45)	(1,317.23)
Total (A) - Net	**33,077.14**	**6,923.97**	**40,001.11**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	23,746.11	6,736.40	30,482.51
(ii) Covered by Bank/ Government guarantees	192.45	0.73	193.18
(iii) Unsecured	10,395.36	247.29	10,642.65
Total (B) - Gross	**34,333.92**	**6,984.42**	**41,318.34**
Less: Impairment loss allowance	(1,256.78)	(60.45)	(1,317.23)
Total (B) - Net	**33,077.14**	**6,923.97**	**40,001.11**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	34,333.92	6,984.42	41,318.34
Total(C) (I) - Gross	**34,333.92**	**6,984.42**	**41,318.34**
Less: Impairment loss allowance	(1,256.78)	(60.45)	(1,317.23)
Total(C) (I) - Net	**33,077.14**	**6,923.97**	**40,001.11**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**33,077.14**	**6,923.97**	**40,001.11**

(₹ in crores)

Particulars	As at March 31, 2022		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	26,637.08	5,712.46	32,349.54
(ii) Non Convertible Debentures - for financing real estate projects	1,716.84	-	1,716.84
(iii) Related parties	0.20	-	0.20
(iv) Others (Dues from Customers etc)	1,049.17	-	1,049.17
Total (A) - Gross	**29,403.29**	**5,712.46**	**35,115.75**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 409.22 crore and Stage 3 Interest ₹ 112.49 crore)	(1,372.86)	(50.00)	(1,422.86)
Total (A) - Net	**28,030.43**	**5,662.46**	**33,692.89**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	21,343.64	5,712.46	27,056.10
(ii) Covered by Bank/ Government guarantees	344.92	-	344.92
(iii) Unsecured	7,714.73	-	7,714.73
Total (B) - Gross	**29,403.29**	**5,712.46**	**35,115.75**
Less: Impairment loss allowance	(1,372.86)	(50.00)	(1,422.86)
Total (B) - Net	**28,030.43**	**5,662.46**	**33,692.89**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	29,403.29	5,712.46	35,115.75
Total (C) (I)-Gross	**29,403.29**	**5,712.46**	**35,115.75**
Less: Impairment loss allowance	(1,372.86)	(50.00)	(1,422.86)
Total (C) (I)-Net	**28,030.43**	**5,662.46**	**33,692.89**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**28,030.43**	**5,662.46**	**33,692.89**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.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.

8.2 Secured loans include loans aggregating to ₹ 218.77 crores (P.Y ₹ 200.95 crores) in respect of which the creation of security is under process.

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Note 9. Investments

(₹ in crores)

Particulars	As at March 31, 2023		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	57.49	-	57.49
Alternate investment funds	1,132.68	-	1,132.68
Security receipts	1,209.60	-	1,209.60
Government Securities	5.04	-	5.04
Bonds	346.52	-	346.52
Preference Shares	38.17	-	38.17
Certificate of Deposits	-	646.40	646.40
Commercial Papers	-	397.34	397.34
Debt securities	-	7.61	7.61
Equity instruments			
in others	-	0.05	0.05
Total – Gross (A)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total – Net (A)	**2,459.60**	**1,051.40**	**3,511.00**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,789.50	1,051.40	3,840.90
Total – (B)	**2,789.50**	**1,051.40**	**3,840.90**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total Net (B)	**2,459.60**	**1,051.40**	**3,511.00**

(₹ in crores)

Particulars	As at March 31, 2022		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	1,099.22	-	1,099.22
Security receipts	445.39	-	445.39
Debt securities	-	9.59	9.59
Equity instruments			
in others	-	0.05	0.05
Total – Gross (A)	**1,544.61**	**9.64**	**1,554.25**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total – Net (A)	**1,182.52**	**9.64**	**1,192.16**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	1,544.61	9.64	1,554.25
Total – (B)	**1,544.61**	**9.64**	**1,554.25**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total Net (B)	**1,182.52**	**9.64**	**1,192.16**

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Note 9.1 Investment details script wise

Particulars	As at March 31, 2023 Quantity (in actuals)	As at March 31, 2023 Face value per unit (in ₹)	As at March 31, 2023 Carrying Value (₹ in crores)	As at March 31, 2022 Quantity (in actuals)	As at March 31, 2022 Face value per unit (in ₹)	As at March 31, 2022 Carrying Value (₹ in crores)
Mutual funds			**57.49**			**0.00**
Nippon India Mutual Fund ETF Liquid BeES	36.71	1,000.00	0.00	35.20	1,000.00	0.00
Aditya Birla Sunlife Liquid Fund- Growth-Direct Plan(formerly known as Aditya Birla Sun Life Cash Plus)	15,83,308.60	10.00	57.49	-	-	-
Alternate investment fund			**1,132.68**			**1,099.22**
Phi Capital Growth Fund-I	339.12	1,00,000.00	8.59	306.78	1,00,000.00	10.06
Indiareit Apartment Fund - Class B	11.29	1,00,000.00	0.08	20.01	1,00,000.00	0.24
IIFL One Value Fund Series B - Class B	60,88,37,542.29	10.00	666.21	60,88,37,542.29	10.00	633.50
IIFL One Value Fund Series B - Class C	36,34,64,973.29	10.00	436.88	41,59,40,426.88	10.00	445.94
Faering Capital Growth Fund III	15,500.00	1,000.00	1.40	15,500.00	1,000.00	1.50
IIFL Securities Capital Enhancer Fund Class S	1,34,18,161.87	10.00	15.45	39,99,800.01	10.00	4.03
IIFL Securities Capital Enhancer Fund Class E	1,999.90	10.00	0.00	1,999.90	10.00	0.00
IIFL One Opportunities FOF - Series 1	30,95,601.13	10.00	4.07	30,65,261.70	10.00	3.95
Preference Shares			**38.17**			-
Open Financial Technologies Private Limited	201.00	100.00	38.17	-	-	-
Debt instruments			**7.61**			**9.59**
Elite Mortgage HL Trust June 2019Series A PTC	5.00	3,58,54,404.00	7.61	5.00	3,58,54,404.00	9.59
Equity instruments			**0.05**			**0.05**
Alpha Microfinance Consultants Private Limited	50,000.00	10.00	0.05	50,000.00	10.00	0.05
Bonds			**346.52**			-
Andhra Pradesh State Beverages Corporation Limited	450.00	2,50,000.00	11.26	-	-	-
Andhra Pradesh State Beverages Corporation Limited	3,353.00	10,00,000.00	335.26	-	-	-
Government Securities			**5.04**			-
07.38% Govt. 50,000,000.00 Stock 2027	5,00,000.00	100.00	5.04	-	-	-
Certificate of Deposits			**646.40**			-
[illegible] Bank Limited CD 15MAY23	500.00	5,00,000.00	24.78	-	-	-
Bank of Maharashtra CD 05APR23	2,000.00	10,00,000.00	98.49	-	-	-
Bank of Maharashtra CD 12MAY23	1,000.00	2,50,000.00	49.59	-	-	-
Canara Bank CD 17APR23	2,000.00	5,00,000.00	98.40	-	-	-
HDFC Bank Limited CD 13APR23	2,000.00	6,25,000.00	98.37	-	-	-
HDFC Bank Limited CD 15MAY23	1,600.00	4,00,000.00	79.31	-	-	-
Punjab National Bank CD 18MAY23	2,000.00	5,00,000.00	99.07	-	-	-
Punjab National Bank CD 23JUN23	2,000.00	5,00,000.00	98.39	-	-	-
Commercial Papers			**397.34**			-
National Bank For Agriculture And Rural Development 90D CP 20APR23	6,000.00	5,00,000.00	298.81	-	-	-
Small Industries Development Bank Of India 91D CP 16JUN23	2,000.00	5,00,000.00	98.53	-	-	-
Security Receipts			**1,209.60**			**445.39**
ACRE-110-Trust (Tranche I)	38,25,000.00	895.48	325.40	38,25,000.00	951.75	362.09
ACRE-110-Trust (Tranche II)	53,97,500.00	952.52	488.42	-	-	-
Arcil-SBPS-049-I-Trust	8,33,000.00	275.20	22.92	8,33,000.00	1,000.00	83.30
Phoenix Trust-FY23-20	21,25,000.00	1,000.00	212.50	-	-	-
Invent/2223/IIFL Samasta/P18 Trust	8,04,678.00	1,000.00	80.46	-	-	-
Invent/2223/IIFL Samasta/P19 Trust	7,99,000.00	1,000.00	79.90	-	-	-
Total Gross			**3,840.90**			**1,554.25**

Note 10. Other financial assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security deposits	49.27	40.91
Deposit with Exchange	0.25	0.25
Interest strip asset on assignment	1,309.34	795.53
Staff advances	0.26	0.21
Insurance receivable	65.28	50.58
Less: Provisions on insurance receivables (refer note 10.1)	(36.77)	(26.63)
Other receivables	215.17	57.62
Accrued interest on investments	7.20	-
Other advance	5.55	5.57
(Unsecured, considered doubtful)		
Security deposit for rented premises	0.98	1.12
Less: Impairment loss allowance on security deposit (refer note 10.2)	(0.98)	(1.12)
Total	**1,615.55**	**924.05**

Note 10.1: Provisions on insurance receivables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	**26.63**	**18.17**
Addition	11.74	16.22
Reduction	(1.60)	(7.76)
Closing	**36.77**	**26.63**

Note 10.2: Provisions on security deposit

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	**1.12**	**1.13**
Addition	0.41	0.74
Reduction	(0.55)	(0.75)
Closing	**0.98**	**1.12**

Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(₹ in crores)

(A) Deffered tax asset	Opening balance (as on April 1, 2022)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets				
Property, plant and equipment	27.74	4.57	-	32.31
Provisions, allowances for doubtful receivables / loans	331.13	(7.30)	-	323.83
Compensated absences and retirement benefits	6.60	2.73	0.68	10.01
MTM on derivative financial instruments	0.74	(9.41)	(12.48)	(21.15)
Expenses deductible in future years	13.73	(4.45)	-	9.28
C/f losses on investments	(15.17)	(14.53)	-	(29.70)
Cash flow hedge reserve	101.77	-	(7.45)	94.32
Fair value of loans carried at FVTOCI	(3.24)	(3.45)	0.19	(6.50)
Leases - Ind AS 116	8.50	(1.45)	-	7.05
Income amortisation (net)	(185.98)	(110.80)	-	(296.78)
Deferred tax assets (net)	**285.82**	**(144.09)**	**(19.06)**	**122.67**

(₹ in crores)

(B) Deffered tax liability	Opening balance (as on April 1, 2022)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax liability				
Property, plant and equipment	-	(0.00)	-	(0.00)
Expenses deductible in future years	-	0.02	-	0.02
C/f losses on investments	-	(0.63)	-	(0.63)
Deferred tax liability (net)	-	**(0.61)**	-	**(0.61)**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ in crores)

(A) Deffered tax asset	Opening balance (as on April 1, 2021)	Recognised in profit or loss	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2022)
Deferred tax assets				
Property, plant and equipment	24.63	3.11	-	27.74
Provisions, allowances for doubtful receivables / loans	331.53	(0.40)	-	331.13
Compensated absences and retirement benefits	5.86	0.73	0.01	6.60
MTM on derivative financial instruments	6.82	-	(6.08)	0.74
Expenses deductible in future years	13.10	0.63	-	13.73
C/f losses on investments	-	(15.17)	-	(15.17)
Cash flow hedge reserve	7.32	90.89	3.56	101.77
Fair value of loans carried at FVTOCI	0.19	-	(3.43)	(3.24)
Leases - Ind AS 116	7.14	1.36	-	8.50
Income amortisation (net)	(85.45)	(100.53)	-	(185.98)
Deferred tax assets (net)	**311.14**	**(19.38)**	**(5.94)**	**285.82**

Note 12. Investment property (at cost)

(₹ in crores)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2022	**155.60**	**7.48**	**138.16**	**301.24**
Additions during the year	-	-	-	-
Deductions/adjustments during the year	-	(4.73)	-	(4.73)
As at March 31, 2023	**155.60**	**2.75**	**138.16**	**296.51**
Less : Impairment loss allowance	(0.01)	(0.46)	-	(0.47)
Net carrying value as at March 31, 2023	**155.59**	**2.29**	**138.16**	**296.04**
Fair value as on March 31, 2023 (Fair value hierarchy : Level 3)	192.18	3.68	150.66	346.53

*Distress value of above flats is ₹ 158.23 crores.

(₹ in crores)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2021	**155.60**	**7.48**	**112.19**	**275.27**
Additions during the year	-	-	25.97	25.97
Deductions/adjustments during the year	-	-	-	-
As at March 31, 2022	**155.60**	**7.48**	**138.16**	**301.24**
Less : Impairment loss allowance	(0.01)	(0.85)	(5.19)	(6.05)
Net carrying value As at March 31, 2022	**155.59**	**6.63**	**132.97**	**295.19**
Fair value as on March 31, 2022 (Fair value hierarchy : Level 3)	175.98	8.78	132.97	317.74

*Distress value of above flats is ₹ 157.90 crores.

12.1: Management has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under rule 2 of Companies (Registered Valuers and Valuation) Rules,2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

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Note 13. Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2022	0.09	2.26	135.96	1.57	28.98	24.55	40.19	69.89	303.49
Additions during the year	-	1.82	40.91	0.69	16.25	-	12.60	22.35	94.62
Deductions/adjustments	-	(0.08)	(2.45)	-	(0.12)	-	(1.15)	(4.30)	(8.10)
As at March 31, 2023	0.09	4.00	174.42	2.26	45.11	24.55	51.64	87.94	390.01
Depreciation									
As at April 1, 2022	-	1.43	65.08	1.53	10.92	7.05	21.18	45.78	152.97
Depreciation for the year	-	0.60	32.09	0.07	6.69	1.47	9.66	15.31	65.89
Deductions/adjustments	-	(0.06)	(2.08)	-	(0.14)	(0.05)	(0.92)	(1.73)	(4.98)
Up to March 31, 2023	-	1.97	95.09	1.60	17.47	8.47	29.92	59.36	213.88
Net block As at March 31, 2023	0.09	2.03	79.33	0.66	27.64	16.08	21.72	28.58	176.13

* The above freehold Land is hypothecicated with Debenture Trustee(s) for issue of secured non-convertible debentures.

(₹ in crores)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2021	0.09	1.74	87.98	1.71	11.34	35.93	27.76	48.06	214.61
Additions during the year	-	0.67	49.76	0.02	17.81	-	13.36	26.90	108.52
Deductions/adjustments	-	(0.15)	(1.78)	(0.16)	(0.17)	(11.38)	(0.93)	(5.07)	(19.64)
As at March 31, 2022	0.09	2.26	135.96	1.57	28.98	24.55	40.19	69.89	303.49
Depreciation									
As at April 1, 2021	-	1.10	42.47	1.47	6.94	8.46	13.68	36.20	110.32
Depreciation for the year	-	0.46	24.00	0.22	4.12	2.11	8.22	13.27	52.40
Deductions/adjustments	-	(0.13)	(1.39)	(0.16)	(0.14)	(3.52)	(0.72)	(3.69)	(9.75)
Up to March 31, 2022	-	1.43	65.08	1.53	10.92	7.05	21.18	45.78	152.97
Net block As at March 31, 2022	0.09	0.83	70.88	0.04	18.06	17.50	19.01	24.11	150.52

* The above freehold Land is hypothecicated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 13.1. Capital-Work-in Progress (CWIP)

Ageing schedule
2022-23

(₹ 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	27.30	0.04	0.06	-	27.40
Projects temporarily suspended	-	-	-	-	-

2021-22

(₹ in crores)

Particulars	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.14	0.50	-	-	5.64
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 14. Leases

(i) As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**326.33**	**1.20**	**327.53**
Addition during the year	162.53	3.28	165.81
Deduction/Adjustment	(22.18)	(0.06)	(22.23)
Depreciation during the year	(83.59)	(0.92)	(84.51)
Closing Balance As at March 31, 2023	**383.10**	**3.50**	**386.60**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2021	**297.76**	**0.84**	**298.60**
Addition during the year	101.75	1.13	102.88
Deduction/Adjustment	(6.04)	-	(6.04)
Depreciation during the year	(67.14)	(0.77)	(67.91)
Closing Balance As at March 31, 2022	**326.33**	**1.20**	**327.53**

b) 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	96.43	74.93
Non-current lease liabilities	317.00	285.75
Total	**413.43**	**360.68**

c) Movement in lease liabilities:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**359.40**	**1.28**	**360.68**
Addition during the year	159.61	3.29	162.90
Deduction/Adjustment	(25.27)	(0.06)	(25.33)
Finance cost accrued during the period	34.42	0.20	34.62
Payment of lease liabilities	(118.39)	(1.05)	(119.44)
Closing Balance As at March 31, 2023	**409.77**	**3.66**	**413.43**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2021	**325.57**	**0.93**	**326.50**
Addition during the year	101.34	1.12	102.46
Deduction/Adjustment	(6.31)	-	(6.31)
Finance cost accrued during the period	30.66	0.13	30.79
Payment of lease liabilities	(91.87)	(0.90)	(92.76)
Closing Balance As at March 31, 2022	**359.40**	**1.28**	**360.68**

d) Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	122.51	99.29
One to two years	102.23	89.31
Two to five years	189.74	174.49
More than five years	110.63	95.77
Total	**525.11**	**458.87**

e) Rental expense recorded for short-term leases was ₹ 32.32 crores (P.Y ₹ 19.76 crores)

f) Amounts recognised in profit or loss

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Interest on lease liabilities	34.62	30.79
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.42	0.46
Depreciation relating to leases	84.51	67.91
Total	**119.55**	**99.16**

g) Amounts recognised in the statement of cash flows

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Total cash outflow for leases	119.44	92.76

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Note 15. Other Intangible Assets

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2022	**9.96**
Additions during the year	3.31
Deductions /Adjustments	-
As at March 31, 2023	**13.27**
Amortisation	
As at April 01, 2022	**7.85**
Additions during the year	2.04
Deductions /Adjustments	-
Up to March 31, 2023	**9.89**
Net block As at March 31, 2023	**3.38**

(₹ in crores)

Particulars	Software
Cost or valuation as at April 01, 2021	**7.97**
Additions during the year	1.99
Deductions /Adjustments	-
As at March 31, 2022	**9.96**
Amortisation	-
As at April 01, 2021	**6.82**
Additions during the year	1.03
Deductions /Adjustments	-
Up to March 31, 2022	**7.85**
Net block As at March 31, 2022	**2.11**

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Note 16. Other Non-Financial Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Prepaid expenses	134.31	54.05
Receivable from securitisation trust	80.00	236.50
Advances for operational expenses*	42.77	43.03
Deposit with government	1.98	1.97
GST / Service tax input	11.06	5.20
Advance towards gratuity (refer note 33.2)	-	1.19
Capital Advance	0.31	0.07
Other assets	2.08	10.59
Total	**272.51**	**352.60**

* Includes foreign currency payments amounting to ₹ 9.32 crores (P.Y ₹ 9.07 crores)

Note 17. Assets Held For Sale

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale	13.32	17.55
Total	**13.32**	**17.55**

(i) Assets held for sale includes Group owned property which it intends to sell in the near future One of the Property (Building) is pending sale beyond one year due to approvals pending from the relevant government authorities.

Note 18. Payables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)	**3.02**	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	51.50	26.94
Accrued salaries and benefits	1.50	2.85
Provision for expenses	137.59	109.13
Other trade payables *	3.69	3.52
Sub-Total (ii)	**194.28**	**142.43**
Total (i+ii)	**197.30**	**142.43**
(II) Other Payables		
(i)Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	9.91
Total (II)	-	**9.91**

* including payable to Group Companies (refer note 41.2)

Note 18.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

Particulars	2022-2023	2021-2022
(a) Principal amount remaining unpaid to any supplier at the year end	3.02	-
(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	0.00	-
(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 Group to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

No interest has been paid/is payable by the Group during the year to the suppliers registered under this Act.

Note 18.2 Trade Payables ageing schedule

(₹ in crores)

Particulars As at March 31, 2023	Unbilled	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3.00	0.02	-	-	-	3.02
(ii) Others	150.25	43.47	0.55	0.00	0.01	194.28
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

(₹ in crores)

Particulars As at March 31, 2022	Unbilled	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	113.17	29.21	0.03	0.02	-	142.43
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

Note 19. Debt Securities

(₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
(i) Non Convertible Debentures (Refer Note (a), (b), (c), 19.1 and 19.2) - Secured	7,659.78	7,463.66
Less : Unamortised debenture issue expenses	(25.73)	(43.19)
Less : Unexpired discount on NCD	(0.07)	(1.57)
(ii) Commercial Papers - Unsecured	-	100.90
Less : Unexpired discount on Commercial Paper	-	(1.74)
(iii) Interest accrued but not due	291.32	320.02
Total (A)	**7,925.30**	**7,838.08**
Debt Securities in India	5,614.20	5,317.35
Debt Securities outside India	2,311.10	2,520.73
Total (B)	**7,925.30**	**7,838.08**

Notes:

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

(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 Crs. (from December 20, 2023) and ₹ 15.00 Crs. (from March 20, 2024) (As at March 31, 2022 ₹ 28.13 Crs. (May 15, 2022), ₹ 15.00 Crs. (from December 20, 2023) and ₹ 15.00 Crs. (from March 20, 2024))

(c) Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ Nil (As at March 31, 2022 ₹ 762.88 Crore (from September 07, 2022))

Note 19.1 - Terms of repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
(A) Non Convertible Debenture (Secured):		**7,659.78**		**7,463.66**
Fixed:		**7,181.21**		**6,884.04**
More than 5 years	5.00% - 9.45%	2,458.92	5.00 % - 9.18%	1,935.90
3- 5 years	8.20% - 9.00%	812.24	8.20 % - 10.33%	491.58
1-3 years	8.25% - 10.33%	946.45	8.25% - 11.50%	3,796.76
Less than 1 years	8.25% - 11.50%	2,963.60	7.75% -15.25%	659.80
Floating:^		**115.00**		**28.13**
1-3 years	8.25%	115.00	-	-
Less than 1 years	-	-	7.51%	28.13
Zero Coupon:		**363.57**		**551.49**
More than 5 years	8.75%	5.53	8.75%	5.53
3- 5 years	8.50% - 8.75%	31.44	8.50% - 8.75%	33.56
1-3 years	8.00% - 10.30%	255.30	8.00 % - 10.30%	325.66
Less than 1 years	8.25%	71.30	9.35% - 9.85%	186.74
(B) Commercial Papers (Unsecured):		-		**100.90**
Less than 1 years	-	-	6.30% - 7.50%	100.90
Total (A+B)		**7,659.78**		**7,564.56**

^ The floating rate non convertible debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

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Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03%	2,251.39	2,453.40
11.50% Secured Listed, Rated Senior Taxable Redeemable Non-Convertible Debentures. Smfl Ncd Series 3. Date Of Maturity 21/04/2023	11.50%	15.00	15.00
11.50% Secured Listed, Rated Senior Taxable Redeemable Non-Convertible Debentures. Smfl Ncd Series 3. Date Of Maturity 21/04/2023	11.50%	100.00	100.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	100.00	-
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Redeemable Non Convertible Debentrues. Series 1. Date Of Maturity 05/06/2023	11.50%	25.00	25.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Redeemable Non Convertible Debentrues. Series 1. Date Of Maturity 05/06/2023	11.50%	15.00	15.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Redeemable Non Convertible Debentrues. Series 1. Date Of Maturity 05/06/2023	11.50%	20.00	20.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, Inr Denominated Non-Convertible Debentures. Smfl Ncd Series 4. Date Of Maturity 10/07/2023	11.50%	25.00	25.00
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debenture. Series Mld1 22-23. Date Of Maturity 01/09/2023.	11.01%	25.00	-
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debenture. Series Mld1 22-23. Date Of Maturity 01/09/2023.	11.01%	80.00	-
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	307.21	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	71.30	71.43
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
Gsec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 30/04/2024	9.00%	59.00	59.00
Gsec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 30/04/2024	9.00%	74.80	74.80
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
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024	8.50%	26.00	-
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024	8.25%	115.00	-
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	100.00	100.00
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	93.88	94.08
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	57.27	57.31
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
Secured Rated Listed Redeemable Non Convertible Debenture. Series Ii Tranche Ii. Date Of Maturity 03/01/2025.	8.25%	26.73	26.73
8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025	8.50%	45.63	-
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025	8.50%	30.07	-
10.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series C11. Maturity Date - 19/12/2025	10.33%	15.00	15.00

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026	8.75%	24.13	-
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026	8.75%	57.21	-
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
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	146.22	147.25
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	135.72	136.08
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	27.19	29.31
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
Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche Ii. Date Of Maturity 03/01/2027.	8.50%	4.25	4.25
9% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028	9.00%	118.93	-
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028	9.00%	37.86	-
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028	8.65%	158.27	-
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 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
8.43% 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
Secured Rated Listed Redeemable Non Convertible Debenture. Series Viii Tranche Ii. Date Of Maturity 03/01/2029	8.75%	5.53	5.53
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
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	500.00	500.00
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	10.00	10.00
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	60.00	60.00
9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032	9.00%	10.00	-
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032	9.45%	550.00	-

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(₹ in crores)

Description of security	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
G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series C6. Date Of Maturity 21/04/2022	9.35%	-	29.80
9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.50%	-	260.50
9.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.60%	-	36.69
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series II - Category II,III & IV. Maturity Date - 07/05/2022	9.60%	-	42.24
Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date Of Maturity 13/05/2022	8.56%	-	28.13
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series D10. Date Of Maturity 17/05/2022	8.00%	-	100.00
8.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D11. Date Of Maturity 26/05/2022	8.00%	-	25.00
Gsec Linked Secured Rated Listed Senior Redeemable Principal Protected Market Linked Non Convertible Debentures. Series 1. Date Of Maturity 02/06/2022	9.55%	-	15.00
15.25% Secured Redeemable Non Convertible Debentures. F Group Debt Instruments Series 1-50. Date Of Maturity 30/06/2022	15.25%	-	5.00
Market Linked Secured Rated Listed Redeemable Non-Convertible Debentures. Series D3 Option II. Date Of Maturity 27/09/2022	9.50%	-	21.93
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date Of Maturity 29/09/2022	9.55%	-	58.00
9.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series II. Date Of Maturity 06/12/2022	9.50%	-	33.17
Zero coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series III. Date Of Maturity 06/12/2022	9.85%	-	10.77
9.85% Secured Rated Listed Redeemable Non-Convertible Debentures. Series IV. Date Of Maturity 06/12/2022	9.85%	-	64.44
Gsec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 26/12/2022	7.75%	-	50.00
Gsec Linked Secured Rated Listed Senior Redeemable Principal Protected Market Linked Non Convertible Debentures. Series 2. Date Of Maturity 02/01/2023	9.65%	-	15.00
9.85% Secured Rated Listed Redeemable Non Convertible Debenture Series D4. Date Of Maturity 17/01/2023	9.85%	-	5.00
10.50% Secured Rated Unlisted Redeemable Non Convertible Debentures.Date Of Maturity 18/03/2023	10.50%	-	50.00
9.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5. Date Of Maturity 08/05/2023	9.00%	-	100.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	-	307.53
9.75% Secured Rated Listed Redeemable Non Convertible Debentures. Series III. Maturity Date - 07/02/2024	9.75%	-	170.42
10.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series IV. Maturity Date - 07/02/2024	10.20%	-	111.80
Total		**7,659.78**	**7,463.66**

* Includes hedging cost

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Note 20. Borrowings (other than debt securities) (₹ in crores)

Particulars	At Amortised Cost As at March 31, 2023	At Amortised Cost As at March 31, 2022
(A)		
(a) Term loan (i) From Banks, NHB and Financial Institutions (refer note (a), (b), (d) and 20.1)	25,946.45	21,864.90
(ii) From others (refer note c and 20.1)	1,232.55	757.93
Less : Prepaid expenses	(117.39)	(84.67)
(b) Other loans		
(i) Cash credit/ overdraft (refer note (a) and 20.2)	620.90	335.09
(ii) Securitisation liability (refer note 20.2)	743.94	2,406.51
Less : Prepaid expenses	(4.16)	(11.79)
(c) Interest accrued but not due	53.97	51.41
Total (A)	**28,476.27**	**25,319.37**
(B)		
Borrowings in India	25,593.27	23,791.84
Borrowings outside India	2,883.00	1,527.53
Total (B)	**28,476.27**	**25,319.37**

Notes:

(a) These loans are secured by way of a 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.

(b) During the year the Group had borrowed ₹ 395.28 crore (equivalent to USD 50 million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(c) During the year the Group had also borrowed ₹ 822.00 crore (equivalent to USD 100 million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitised asset.

(d) During the year ended March 31, 2022, the Group borrowed ₹ 379.25 crore (equivalent to USD 50 million) through the External Commercial Borrowings towards refinancing of existing outstanding Medium Term Notes. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio.

Residual Maturity	As at March 31, 2023 Rate of Interest/ Yield	As at March 31, 2023 Amount (₹ in crores)	As at March 31, 2022 Rate of Interest/ Yield	As at March 31, 2022 Amount (₹ in crores)
Term loans from Banks and Financial Institutions:*				
Fixed:		**6,716.95**		**6,352.09**
3- 5 years	8.45% - 9.80%	786.39	8.45%-9.80%	642.05
1-3 years	8.00% - 11.50%	3,118.88	8.00% -11.50%	3,203.88
Less than 1 year	8.00% -11.50%	2,811.68	7.05% -12.00%	2,506.16
Floating:		**16,144.06**		**12,749.12**
More than 5 years	7.70% - 9.75%	1,602.86	7.70% - 9.50%	1,427.47
3- 5 years	7.70% -9.75%	1,985.13	7.70% -9.75%	1,824.97
1-3 years	7.70% -11.00%	5,852.14	7.40% -11.00%	5,294.62
Less than 1 year	7.70% -11.00%	6,703.94	6.00%-11.75%	4,202.05
Term loans from NHB:				
Fixed:		**3,085.44**		**2,763.70**
More than 5 years	2.80% -7.90%	783.14	2.94 % - 6.85 %	652.64
3- 5 years	2.80% -7.90%	723.32	2.94 % - 8.18 %	594.15
1-3 years	2.80% - 8.40%	1,092.71	2.94 % - 8.18 %	1,039.94
Less than 1 year	2.80% - 8.40%	486.28	2.94 % - 8.80 %	476.99
Term loans from others:**				
Floating:		**1,232.55**		**757.93**
3- 5 years	8.44% -9.20%	1,232.55	8.62%	757.93
Total		**27,179.00**		**22,622.83**

* The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 20.2 - Terms of repayment of Other loans

Residual Maturity	As at March 31, 2023 Rate of Interest/ Yield	As at March 31, 2023 Amount (₹ in crores)	As at March 31, 2022 Rate of Interest/ Yield	As at March 31, 2022 Amount (₹ in crores)
Less than 1 year - CC/ ODFD ***	6.00% - 9.75%	620.90	3.75% - 10.50%	335.09
Securitisation:		**743.94**		**2,406.51**
Fixed:		**564.26**		**1,989.22**
1-3 years	-	-	7.50% - 10.10%	1,945.25
Less than 1 year	7.72%	564.26	7.72%	43.97
Floating:		**179.68**		**417.29**
More than 5 years	7.30% - 8.05%	143.06	6.45% - 8.20%	318.94
3- 5 years	7.30% - 8.05%	15.23	6.45% - 8.20%	39.16
1-3 years	7.30% - 8.05%	14.56	6.45% - 8.20%	44.26
Less than 1 year	7.30% - 8.05%	6.85	6.45% - 8.20%	14.93
Total		**1,364.84**		**2,741.59**

***The rate of interest for the above loans is linked to base rate of Bank's plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 21. Unsecured/Subordinated Liabilities

I. Unsecured, Unsubordinated Non Convertible Debentures (₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
(A)		
(i) Unsecured Non Convertible Debentures - Other than Sub Debt	140.00	-
Less: Unamortised Debenture Issue Expenses	(0.99)	-
(ii) Interest Accrued but not due	0.81	-
Total (A)	**139.82**	**-**
(B)		
Unsubordinated liabilities in India	139.82	-
Unsubordinated liabilities outside India	-	-
Total (B)	**139.82**	**-**

II. Unsecured, Subordinated Non Convertible Debentures (₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
(A)		
(i) Non Convertible Debentures	2,858.98	2,429.80
Less : Unamortised debenture issue expenses	(53.30)	(50.32)
(ii) Interest accrued but not due	256.92	188.57
Total (A)	**3,062.60**	**2,568.05**
(B)		
Subordinated liabilities in India	2,715.29	2,220.96
Subordinated liabilities outside India	347.31	347.09
Total (B)	**3,062.60**	**2,568.05**

Note 21.1 - Terms of repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
Non Convertible Debenture (Unsecured)				
Fixed:		**2,748.53**		**2,179.35**
More than 5 years	9.35% - 11.25%	2,226.92	8.70% -10.50%	1,934.74
3- 5 years	8.80% - 9.05%	185.00	10.00% -10.00%	25.93
1-3 years	9.05% - 11.40%	179.11	8.93% -12.10%	170.68
Less than 1 years	8.93% - 12.10%	157.50	12.15% -16.90%	48.00
Zero Coupon		**250.45**		**250.45**
More than 5 years	9.35% - 10.03%	244.67	9.35% -10.03%	244.67
3- 5 years	-	-	10.50%	5.78
1-3 years	10.50%	5.78	-	-
Total		**2,998.98**		**2,429.80**

Notes:

(a) Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024), ₹ 15.45 Crore (from August 07, 2024), ₹ 10.00 crore (from February 28, 2024), ₹ 126.52 crore (from May 14, 2024), ₹ 40.00 crore (from June 18, 2025) and ₹ 30.00 crore (from July 14, 2025) (As at March 31, 2022 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024), ₹ 15.45 Crore (from August 07, 2024), as at March 31, 2022 Non Convertible Debentures – Unsecured includes redeemable non convertible debenture which carries call option ₹ 10.00 crore (from February 28, 2024), ₹ 126.52 crore (from May 14, 2024), ₹ 40.00 crore (from June 18, 2025) and ₹ 30.00 crore (from July 14, 2025))

(b) Unsecured Non convertible Debentures - Sub Debt includes debentures amounting to Rs.11.00 Crore (P.Y. Rs.11.00 Crore) in respect of which the company is having a call option at the end of the 5th year from July 20, 2018.

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Note 21.2 - Non Convertible Debentures - instrument wise details

(₹ in crores)

Description of security	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
12.10% Unsecured Redeemable Non Convertible Debentures. Date Of Maturity 24/05/2023	12.10%	10.00	10.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date Of Maturity 29/05/2023	9.30%	15.00	15.00
10.50% Unsecured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series A Date Of Maturity 20/12/2023	11.40%	50.00	-
Nifty 50 Index Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Date Of Maturity 19/04/2024	10.15%	21.85	21.85
Nifty 50 Index Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Date Of Maturity 19/04/2024	10.15%	67.15	67.15
Nifty 50 Index Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Date Of Maturity 18/04/2024	9.05%	6.68	6.68
11.40% Unsecured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series B Date Of Maturity 19/12/2024	10.50%	50.00	-
10.75% Unsecured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Date Of Maturity 24/02/2025	10.75%	40.00	-
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity 06/06/2025.	10.00%	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	10.50%	5.78	5.78
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date Of Maturity 27/07/2027	8.85%	75.00	75.00
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity 19/11/2027	8.70%	100.00	100.00
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
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity 24/06/2028	10.00%	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity 24/06/2028	9.60%	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity 24/06/2028	10.03%	68.14	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	325.00	325.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date Of Maturity 13/07/2028	9.85%	30.00	30.00
11.25% Unsecured Rated Listed Subordinate Tier Ii Redeemable Non Convertible Debenture. Letter Of Allotment. Date Of Maturity 19/07/2028.	11.25%	150.00	-
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	50.00	50.00
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
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

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(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
Unsecured Rated Listed Redeemable Non Convertible Debentures.Series Iii.Date Of Maturity : 03/11/2028	10.02%	40.28	40.28
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	10.00%	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 26/02/2029	10.50%	15.45	15.45
11.25% Unsecured Rated Listed Redeemable Non Convertible Debenture. Letter Of Allotment Date Of Maturity 02/04/2029.	11.25%	25.00	-
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity 24/03/2032	9.35%	50.00	50.00
9.65% Unsecured Rated Listed Subordinate Tier Ii Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032	9.65%	236.70	-
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032	9.45%	65.69	-
16.90% Unsecured Redeemable Non Convertible Debentures. F Group Debt Instruments Series 1-50. Date Of Maturity 30/06/2022	16.90%	-	5.00
12.15% Unsecured Redeemable Non-Convertible Debenture. Date Of Maturity 30/08/2022	12.15%	-	20.00
12.20% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date Of Maturity 04/11/2022	12.20%	-	23.00
Total		**2,998.98**	**2,429.80**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

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Note 22. Other Financial Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Temporary overdrawn bank balances	787.68	747.19
Payable on account of assignment/securitisation	1,037.22	1,826.94
Payable towards NCD	2.26	2.22
Unclaimed dividend	5.13	1.76
Other payables (auction proceeds, retention payable, etc.) (refer note 22.1 and 22.2)	197.95	242.43
Total	**2,030.24**	**2,820.54**

Note 22.1: During the year, amount of ₹ 0.35 crores (P.Y ₹ 0.59 crores) was transferred to 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. The same was subsequently transferred.

Note 22.2: Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.04 crores (P.Y ₹ 0.04 crores)

Note 23: Provisions

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	50.36	31.52
Provision for leave encashment	24.55	18.79
Provision for gratuity (refer note 33.2)	9.64	4.79
Expected loan loss provision on loans sanctioned but undrawn	0.22	9.00
Total	**84.77**	**64.11**

Note 24. Other Non-Financial Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Income received in advance	0.04	0.04
Advances from customers	316.04	63.80
Others	12.58	-
Statutory remittances	51.99	39.10
Total	**380.65**	**102.94**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 080. CHARTERED ACCOUNTANTS

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Note 25: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,355,250,000 Equity Shares (P.Y 2,355,250,000) of ₹ 2 each	471.05	471.05
500,000,000 Preference Shares (P.Y 500,000,000) of ₹ 10 each	500.00	500.00
Total	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital		
380,430,389 Equity Shares (P.Y 379,598,711) of ₹ 2 each fully paid with voting rights	76.09	75.92
Total	**76.09**	**75.92**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares				
At the beginning of the year	37,95,98,711	75.92	37,88,40,676	75.77
Add: Shares issued during the year	8,31,678	0.17	7,58,035	0.15
Outstanding at the end of the year	**38,04,30,389**	**76.09**	**37,95,98,711**	**75.92**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2023, equity shareholders were paid an interim dividend of ₹ 4.00/- (P.Y ₹ 3.50/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	8,46,41,445	22.25%	8,46,41,445	22.30%
CDC Group PLC	-	-	2,95,01,587	7.77%
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	4,77,19,154	12.57%
HWIC Asia Fund Class A shares	-	-	-	-
Smallcap World Fund, Inc	2,82,78,861	7.43%	1,96,71,937	5.18%
Parajia Bharat Himatlal	1,97,20,000	5.18%	2,03,88,602	5.37%

(v) Details of Shareholding of Promoters

As at March 31, 2023

Promoter name	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	-0.03%
Madhu N Jain	1,20,75,000	3.17%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital

As at March 31, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.57%	-0.03%
Madhu N Jain	1,20,75,000	3.18%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	-0.01%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.63%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	-0.01%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.91%**	

* The change in percentage is due to dilution of Share Capital

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 39 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

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Note 25.1: Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Share Application Money	-	-
Capital Reserve	**83.89**	**83.89**
Securities Premium Reserve		
Opening Balance	1,845.85	1,840.98
Add: Share issue expenses	(24.13)	(8.34)
Add/(Less): Change in minority	(689.64)	-
Add: Addition during the year	2,289.17	8.45
Add/(Less): Transfer to/ (from) reserves	6.07	4.76
Closing Balance	**3,427.32**	**1,845.85**
General Reserve		
Opening Balance	653.22	653.15
Add/(Less): Change in minority	(29.36)	-
Add/(Less): Transfer to/ (from) reserves	1.09	0.07
Closing Balance	**624.95**	**653.22**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening Balance	845.60	640.25
Add/(Less): Transfer to/ (from) reserves	186.51	205.35
Closing Balance	**1,032.11**	**845.60**
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening Balance	402.97	287.37
Add/(Less): Change in minority	(92.39)	-
Add/(Less): Transfer to/ (from) reserves	158.10	115.60
Closing Balance	**468.68**	**402.97**
Capital Redemption Reserve	**230.11**	**230.11**
Debenture Redemption Reserve	**12.80**	**12.80**
Retained Earnings		
Opening Balance	2,332.71	1,589.93
Add: Profit for the year	1,500.30	1,187.89
Less: Interim dividend	(173.63)	(132.82)
Add: Change in minority	(287.07)	0.37
Add/(Less): Transfer to/ (from) reserves	(344.61)	(312.66)
Add: Addition during the year	-	-
Closing Balance	**3,027.70**	**2,332.71**
Stock Compensation Reserve		
Opening Balance	14.19	15.91
Add: Addition during the year	2.62	3.10
Add/(Less): Transfer to/ (from) reserves	(7.16)	(4.82)
Closing Balance	**9.65**	**14.19**
Effective portion of Cash Flow Hedges		
Opening Balance	(39.39)	(38.41)
Add: Other comprehensive income/ (loss)	34.76	(0.98)
Closing Balance	**(4.63)**	**(39.39)**
Fair value of loans carried at FVTOCI		
Opening Balance	9.65	(0.57)
Add: Other comprehensive income/ (loss)	(0.56)	10.22
Closing Balance	**9.09**	**9.65**
Remeasurements of defined benefit		
Opening Balance	(3.69)	(3.66)
Add: Other comprehensive income/ (loss)	(2.01)	(0.03)
Closing Balance	**(5.70)**	**(3.69)**
Total	**8,915.97**	**6,387.91**

Non-Controlling Interest

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	5.90	5.92
Profit for the year	107.25	0.36
Other comprehensive income	(1.52)	(0.01)
Change in minority	1,098.46	(0.37)
Closing Balance	**1,210.08**	**5.90**

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

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

Note 26.1 Interest Income

(₹ in crores)

Particulars	FY 2022-23				FY 2021-22			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	6,300.62	-	795.64	7,096.26	5,269.69	-	683.31	5,953.00
Interest on investments	55.35	32.37	-	87.72	0.90	62.99	-	63.89
Interest on deposits with banks	167.32	-	-	167.32	90.01	-	-	90.01
Interest on inter corporate deposit	17.97	-	-	17.97	27.63	-	-	27.63
Total	**6,541.26**	**32.37**	**795.64**	**7,369.27**	**5,388.23**	**62.99**	**683.31**	**6,134.53**

Note 26.2 Dividend Income

The Group received dividend income amounting to ₹ 0.00 crore (P.Y ₹ 0.00 crore).

Note 27. Fees and Commission Income

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Administration Fees & Other charges	199.85	137.94
Insurance Commission	28.67	15.26
Total	**228.52**	**153.20**

Note 28. Net gain/(loss) on fair value changes

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	147.25	155.77
- Derivatives	-	-
Fair value changes		
- Realised	82.68	77.20
- Unrealised	64.58	78.58
Total net gain/(loss) on fair value changes	**147.25**	**155.77**

Note 29. Other Income

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Interest on income tax refund	25.53	3.53
Profit on sale of fixed assets	3.08	1.90
Marketing, advertisement and support service fees	127.58	133.15
Miscellaneous income	32.06	30.32
Total	**188.26**	**168.88**

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

Note 30. Finance Cost

(₹ in crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2022-23	FY 2021-22
Interest on debt securities (refer note 30.1)	679.84	848.62
Interest on borrowings (other than debt securities) (refer note 30.1)	2,093.89	1,752.81
Interest on subordinated liabilities	273.86	234.72
Discount on Commercial Paper	2.72	21.42
Interest on inter corporate deposit	1.25	9.01
Interest expense on lease - Ind AS 116	34.62	30.79
Other borrowing cost (refer note 30.1)	124.66	86.06
Interest Expense on other borrowings	10.98	7.56
Total	**3,221.83**	**2,991.00**

Note 30.1: Includes foreign currency expenses incurred amounting to ₹ 403.18 crore (P.Y ₹ 251.54 crore)

Note 31. Net (gain)/ loss on derecognition of financial instruments under amortised cost category

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
(A) Net (gain) on derecognition of financial instruments under amortised cost category		
- Interest strip on assignment of loans	(513.81)	(411.23)
(B) Net loss on derecognition of financial instruments under amortised cost category		
- Bad debts written off (net)	934.99	904.22

Note 32. Impairment on Financial Instruments

(₹ in crores)

Particulars	FY 2022-23			FY 2021-22		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(65.08)	(14.46)	(79.54)	(9.04)	0.88	(8.16)
Other financial assets	10.69	-	10.69	8.77	-	8.77
Total	**(54.40)**	**(14.46)**	**(68.86)**	**(0.27)**	**0.88**	**0.59**

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Note 33. Employee benefit expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Salaries	1,190.25	831.33
Contribution to provident and other funds (refer note 33.1)	74.20	54.88
Leave encashment	14.22	9.12
Gratuity (refer note 33.2)	8.08	6.44
Staff welfare expenses*	40.60	27.02
Share based payments	2.14	1.95
Total	1,329.50	930.74

* Includes foreign currency expenses incurred amounting to Nil (P.Y 0.01 crore)

33.1 Defined contribution plans

The Group has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Contribution to Provident fund	18.36	14.23
Contribution to Employee State Insurance Corporation	10.05	7.89
Contribution to Labour welfare fund	0.20	0.15
Company contribution to employee pension scheme	44.92	32.18
Contribution to NPS & IVTB	0.67	0.43
Total	74.20	54.88

33.2 Gratuity disclosure statement

Particulars	FY 2022-23			FY 2021-22		
	Finance	HFC	Samasta	Finance	HFC	Samasta
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 Period	01-Apr-22			01-Apr-21		
Date of Reporting	31-Mar-23			31-Mar-22		
Period of Reporting	12 Months			12 Months		

Assumptions	FY 2022-23			FY 2021-22		
Expected Return on Plan Assets	7.29% - 7.46%			5.66% - 6.98%		
Rate of Discounting	7.29% - 7.46%			5.66% - 6.98%		
Rate of Salary Increase	6.00% - 9.00%			6.00% - 9.00%		
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	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 35.00%p.a For service 5 years and above 10.00% p.a	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	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 35.00%p.a For service 5 years and above 10% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)			Indian Assured Lives Mortality 2012-14 (Urban)		
Mortality Rate After Employment	N.A.			N.A.		

Particulars	FY 2022-23	FY 2021-22
Table Showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Year	32.77	28.12
Interest Cost	2.20	1.79
Current Service Cost	7.79	6.29
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	0.14	0.25
(Liability Transferred Out/ Divestments)	(0.16)	(0.33)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	(0.01)
(Benefit Paid From the Fund)	(4.05)	(3.00)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(3.69)	(2.34)
Actuarial (Gains)/Losses on Obligations - Due to Experience	5.70	1.98
Present Value of Benefit Obligation at the End of the Year	40.69	32.77

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Table Showing Change in the Fair Value of Plan Assets	FY 2022-23	FY 2021-22
Fair Value of Plan Assets at the Beginning of the Year	**29.20**	**25.89**
Interest Income	2.01	1.69
Contributions by the Employer	4.69	5.01
Expected Contributions by the Employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(4.05)	(3.00)
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(0.68)	(0.39)
Fair Value of Plan Assets at the End of the Year	**31.17**	**29.20**

Amount Recognized in the Balance Sheet	FY 2022-23	FY 2021-22
(Present Value of Benefit Obligation at the end of the Year)	**(40.69)**	**(32.77)**
Fair Value of Plan Assets at the end of the Year	31.17	29.20
Funded Status (Surplus/ (Deficit))	(9.52)	(3.57)
Net (Liability)/Asset Recognized in the Balance Sheet	(9.52)	(3.57)
Assets recognised in the Balance Sheet under "Other non-financial assets"	-	1.18
Liabilities recognised in the Balance Sheet under "Provisions"	(9.52)	(4.75)

Unfunded gratuity- The above table does not depict unfunded gratuity liability amounting to ₹ 0.12 crores, correspondingly expense of the equivalent amount has been charged to Profit and Loss A/c.

Net Interest Cost for Current Year	FY 2022-23	FY 2021-22
Present Value of Benefit Obligation at the Beginning of the Year	32.77	28.12
(Fair Value of Plan Assets at the Beginning of the Year)	(29.20)	(25.89)
Net Liability/(Asset) at the Beginning	3.56	2.22
Interest Cost	2.20	1.79
(Interest Income)	(2.01)	(1.69)
Net Interest Cost for Current Year	**0.19**	**0.10**

Expenses Recognized in the Statement of Profit or Loss for Current Year	FY 2022-23	FY 2021-22
Current Service Cost	7.79	6.29
Net Interest Cost	0.19	0.10
Past Service Cost	-	-
Expenses Recognized	**7.98**	**6.40**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year	FY 2022-23	FY 2021-22
Actuarial (Gains)/Losses on Obligation For the Year	2.01	(0.35)
Return on Plan Assets, Excluding Interest Income	0.68	0.39
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Year Recognized in OCI	**2.69**	**0.03**

Balance Sheet Reconciliation	FY 2022-23	FY 2021-22
Opening Net Liability	3.57	2.22
Expenses Recognized in Statement of Profit or Loss	7.98	6.40
Expenses Recognized in OCI	2.69	0.03
Net Liability/(Asset) Transfer In	0.14	0.25
Net (Liability)/Asset Transfer Out	(0.16)	(0.33)
(Benefit Paid Directly by the Employer)	-	(0.01)
(Employer's Contribution)	(4.69)	(5.01)
Net Liability/(Asset) Recognized in the Balance Sheet	**9.52**	**3.57**

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Category of Assets	FY 2022-23	FY 2021-22
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	31.17	27.47
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**31.17**	**27.47**

Information for major category of plan assets of gratuity fund is not available with the Group and hence not disclosed.

Expenses recognised in the Statement of Profit or Loss for next year	FY 2022-23	FY 2021-22
Current service cost	8.41	7.19
Net interest cost	0.43	0.08
(Expected contributions by the employees)	-	-
Expenses recognised	**8.84**	**7.26**

Maturity Analysis of the Benefit Payments: From the Fund	FY 2022-23	FY 2021-22
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	3.92	0.69
2nd Following Year	1.31	0.93
3rd Following Year	1.39	1.07
4th Following Year	1.51	1.13
5th Following Year	1.86	1.21
Sum of Years 6 To 10	9.50	7.41
Sum of Years 11 and above	118.37	100.48

Sensitivity Analysis	FY 2022-23	FY 2021-22
Projected Benefit Obligation on Current Assumptions	40.69	32.77
Delta Effect of +1% Change in Rate of Discounting	(5.02)	(4.44)
Delta Effect of -1% Change in Rate of Discounting	5.54	5.46
Delta Effect of +1% Change in Rate of Salary Increase	5.34	4.77
Delta Effect of -1% Change in Rate of Salary Increase	(4.53)	(4.06)
Delta Effect of +1% Change in Rate of Employee Turnover	0.16	(0.21)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.24)	0.21

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.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

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Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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

Characteristics of defined benefit plans

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

A separate trust fund is created to manage the Gratuity plan.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

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Note 34. Other Expenses **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22
Advertisement and marketing expenses (refer note 34.1)	75.74	50.05
Direct operating expenses	101.46	52.09
Bank charges	23.17	20.30
Commission to non whole-time directors	0.66	0.61
Communication costs	14.73	12.92
Electricity	22.75	15.35
Exchange and statutory charges	4.53	4.54
Legal & professional fees (refer note 34.1)	143.53	87.04
Directors sitting fees	1.81	1.08
Office expenses	24.24	20.11
Postage & courier	7.63	7.71
Printing & stationery	14.62	8.96
Rates & taxes	2.19	1.98
Rent	32.32	19.76
Repairs & maintenance		
- Computer	2.44	1.95
- Others (refer note 34.1)	15.44	13.98
Remuneration to auditors		
- Audit fees	1.26	0.99
- Certification / other services (refer note 34.2)	0.63	0.24
- Out of pocket expenses	0.14	0.06
Software charges (refer note 34.1)	46.39	39.26
Travelling & conveyance (refer note 34.1)	71.50	40.30
Corporate social responsibility expenses (refer note 43)	21.80	18.77
Miscellaneous expenses (refer note 34.1)	13.81	8.47
Insurance premium	14.46	20.22
Security expenses	106.35	92.59
Loss on sale of fixed assets (net)	0.94	0.03
Total	**764.54**	**539.38**

Note 34.1: Includes below payments done in foreign currency **(₹ in crores)**

Particulars	FY 2022-23	FY 2021-22
Advertisement and marketing expenses	0.17	-
Travelling & conveyance	0.19	0.03
Repairs & maintenance- Others	-	0.03
Miscellaneous expenses	0.03	-
Software charges	0.33	0.06
Legal & professional fees	1.14	1.39

Note 34.2: During the year the Group has paid ₹ 0.25 crore (P.Y ₹ 0.97 crore) to the auditors towards certification required under its Public Issue of Non Convertible Debentures, the same has been amortised over the tenure of the borrowings.

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Note 35. Income Taxes

(₹ in crores)

Amounts recognised in statement of profit or loss	FY 2022-23	FY 2021-22
Current tax expense		
Current year	362.70	327.78
Changes in estimates related to prior years	(2.41)	0.57
Deferred tax expense		
Origination and reversal of temporary differences	144.68	19.38
Total	**504.97**	**347.72**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2022-23			FY 2021-22		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(2.69)	0.68	(2.01)	(0.04)	0.01	(0.03)
Cash flow hedge (net)	46.45	(11.69)	34.76	(1.30)	0.33	(0.97)
Fair value of loans carried at FVTOCI	(0.75)	0.19	(0.56)	13.65	(3.44)	10.21
Total	**43.01**	**(10.82)**	**32.19**	**12.31**	**(3.10)**	**9.21**

(₹ in crores)

Reconciliation of income tax expense of the year to accounting year	FY 2022-23	FY 2021-22
Profit before tax	**2,112.52**	**1,535.98**
Tax using the Group's domestic tax rate	564.75	405.48
Tax effect of:		-
Non-deductible expenses	6.75	5.60
Tax-exempt income - others (includes deduction under section 80JJAA)	(41.07)	(35.57)
Tax-exempt income- dividend	(22.36)	(15.83)
Income taxed at different rates	(0.82)	(4.08)
Others	0.01	0.02
Adjustments for current tax for prior periods	(2.41)	0.57
Differential tax rate in subsidiary	0.59	1.15
Past-year losses for which no deferred tax asset is recognised	(1.33)	(9.95)
Recognition of previously unrecognised deductible temporary differences	0.76	0.33
Total income tax expense	**504.97**	**347.72**

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Note 36. Earnings Per Share

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 "Earnings per share".

Particulars		FY 2022-2023	FY 2021-2022
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss (₹ in crore)		1,500.30	1,187.89
Profit after tax attributable to equity share holders (₹ in crore)	A	1,500.30	1,187.89
Weighted average number of equity shares outstanding	B	37,98,80,425	37,91,94,372
Basic EPS (In ₹)	**A/B**	**39.49**	**31.33**
DILUTED			
Weighted average number of equity shares for computation of basic EPS		37,98,80,425	37,91,94,372
Add: Potential equity shares on account conversion of Employees Stock Options		30,15,015	22,54,850
Weighted average number of equity shares for computation of diluted EPS	C	38,28,95,439	38,14,49,222
Diluted EPS (In ₹)	**A/C**	**39.18**	**31.14**

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Note 37. Risk Management

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

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. 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.

The Group has developed the necessary competency to identify early stress signals and has also 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.

The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. 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.

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. The Group 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. 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.

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 group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line 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 and 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.

Risk Management Practices

The Group has developed the necessary competency to identify early stress signals and has also 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.

It has initiated a detailed 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'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.

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 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.

37A.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 quality analysis

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

(₹ in crores)

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 using simplified approach	Total
Cash and cash equivalents	-	-	-	3,630.67	**3,630.67**
Bank Balance other than above	-	-	-	2,208.36	**2,208.36**
Receivables					
(i) Trade Receivables	-	-	1.66	127.07	**128.73**
(ii) Other Receivables	-	-	-	151.96	**151.96**
Loans *	31,053.25	2,061.97	813.29	-	**33,928.51**
Investments	-	-	-	1,051.40	**1,051.40**
Other Financial assets	-	-	-	1,653.31	**1,653.31**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ 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 using simplified approach	Total
Cash and cash equivalents	-	-	-	6,211.64	**6,211.64**
Bank Balance other than above	-	-	-	1,945.29	**1,945.29**
Receivables					
(i) Trade Receivables	-	-	0.00	183.28	**183.28**
(ii) Other Receivables	-	-	-	15.80	**15.80**
Loans *	26,105.29	2,122.55	972.35	-	**29,200.19**
Investments	-	-	-	9.64	**9.64**
Other Financial assets	-	-	-	951.80	**951.80**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Financial Assets measured using simplified approach:

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, other receivables 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.

37A.2. Collateral held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

37A.3. Loss allowance and Exposure at default

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-22	**641.16**	**61.84**	**195.80**	**11.35**	**409.22**	**112.49**	**1,246.18**	**185.68**
New loans disbursed during the year	377.44	25.55	15.54	2.30	87.97	7.96	480.95	35.82
Loans closed/written off during the year	(213.13)	(33.06)	(65.91)	(4.77)	(329.31)	(85.58)	(608.35)	(123.41)
Movement in provision without change in asset staging	(106.43)	6.35	31.87	2.44	42.66	46.81	(31.90)	55.60
Movement in provision due to change in asset staging	17.57	4.86	(38.83)	(1.09)	90.08	4.27	68.82	8.04
Closing ECL Mar-23	**716.61**	**65.54**	**138.48**	**10.23**	**300.62**	**85.95**	**1,155.71**	**161.74**

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-21	**629.99**	**67.29**	**194.70**	**55.78**	**382.90**	**116.95**	**1,207.59**	**240.02**
New loans disbursed during the year	323.45	24.22	16.75	1.82	88.61	2.74	428.81	28.79
Loans closed/written off during the year	(278.08)	(36.87)	(76.15)	(45.66)	(241.38)	(50.61)	(595.61)	(133.14)
Movement in provision without change in asset staging	(15.99)	4.13	71.64	3.70	44.31	39.94	99.96	47.77
Movement in provision due to change in asset staging	(18.21)	3.07	(11.14)	(4.29)	134.78	3.47	105.43	2.25
Closing ECL Mar-22	**641.16**	**61.84**	**195.80**	**11.35**	**409.22**	**112.49**	**1,246.18**	**185.68**

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The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) by class of financial instrument.

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2022	**31,166.50**	**2,569.11**	**2,039.69**	**137.26**	**860.19**	**112.00**	**34,066.38**	**2,818.38**
New loans disbursed during the year	24,195.99	1,680.15	642.19	39.84	179.69	7.86	25,017.87	1,727.85
Loans closed/written off during the year	(12,744.41)	(691.29)	(1,003.28)	(50.65)	(674.63)	(85.32)	(14,422.31)	(827.26)
Movement in EAD without change in asset staging	(4,156.58)	(1,208.23)	(87.31)	(23.85)	(14.94)	25.66	(4,258.83)	(1,206.42)
Movement in EAD due to change in asset staging	(1,060.29)	(56.89)	380.53	15.69	378.38	24.23	(301.38)	(16.97)
Closing EAD Mar-2023	**37,401.20**	**2,292.85**	**1,971.83**	**118.28**	**728.70**	**84.44**	**40,101.73**	**2,495.58**

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2021	**29,517.98**	**2,385.91**	**3,397.77**	**268.15**	**696.23**	**116.35**	**33,611.98**	**2,770.41**
New loans disbursed during the year	21,156.35	857.49	501.35	23.00	155.53	2.09	21,813.24	882.59
Loans closed/written off during the year	(13,130.60)	(1,033.20)	(1,798.07)	(154.22)	(389.49)	(50.50)	(15,318.16)	(1,237.93)
Movement in EAD without change in asset staging	(5,394.51)	417.48	(230.41)	(10.85)	(10.55)	27.26	(5,635.45)	433.88
Movement in EAD due to change in asset staging	(982.74)	(58.56)	169.05	11.19	408.47	16.80	(405.23)	(30.56)
Closing EAD Mar-2022	**31,166.50**	**2,569.11**	**2,039.69**	**137.26**	**860.19**	**112.00**	**34,066.38**	**2,818.38**

37A.4. Write off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 934.99 crore (P.Y ₹ 904.22 crore)

37A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when 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 Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in crores)

Particulars	FY 2022-2023	FY 2021-2022
Value of Modified Assets at the time of modification	534.05	2,372.91
Value of Modified Assets outstanding at end of year	528.39	2,509.35
Modification Gain/ (Loss)	(5.66)	136.44

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on February 22, 2019) and the "The Housing Finance Companies (NHB) Directions, 2010".

37A.6. Credit Risk Grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk – This category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This 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.

Credit Grading details : (₹ in crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2023	39,694.04	2,090.11	813.14	42,597.30
March 31, 2022	33,735.61	2,176.95	972.19	36,884.75

37A.7. Concentration 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 various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

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37B 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 marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate 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 (including financial guarantee) 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
Derivative financial instruments	42.37	28.40	0.96	9.22	3.78	-	-
Trade payables	197.30	195.61	0.47	0.65	0.56	0.01	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation *	525.11	29.02	28.49	65.01	179.16	112.83	110.62
Debt securities	7,925.30	2,623.59	157.63	449.74	1,394.34	848.36	2,451.64
Borrowings (other than debt securities) (Note 1)	28,476.27	3,045.37	2,813.52	4,664.40	11,824.89	3,636.58	2,491.51
Subordinated liabilities	3,202.42	113.46	65.99	59.69	242.06	180.92	2,540.30
Other financial liabilities	2,030.24	2,000.88	18.48	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**42,983.93**	**8,621.26**	**3,085.54**	**5,256.12**	**13,648.24**	**4,778.70**	**7,594.06**

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) 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	164.39	3.06	-	3.17	158.16	-	-
Trade payables	142.43	140.23	0.19	0.99	0.04	0.98	-
Other payables	9.91	9.91	-	-	-	-	-
Finance lease obligation *	458.87	24.34	24.05	50.91	153.54	110.27	95.77
Debt securities	7,838.08	841.02	155.01	242.75	4,138.75	526.32	1,934.23
Borrowings (other than debt securities) (Note 1)	25,319.37	1,834.56	1,955.70	4,273.91	11,842.92	3,044.21	2,368.08
Subordinated liabilities	2,568.05	38.66	31.06	28.11	211.07	33.40	2,225.75
Other financial liabilities	2,820.54	2,791.36	3.17	-	-	26.02	-
Financial guarantee contracts	845.50	845.50	-	-	-	-	-
Total	**40,167.12**	**6,528.62**	**2,169.15**	**4,599.85**	**16,504.47**	**3,741.19**	**6,623.84**

* The amount represent undiscounted cash flows

Note 1: Borrowings includes cash credit facilities, has been slotted in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

Note 2: In computing the above information with respect to cash credit and overdraft facilities with Banks, the Management has made certain estimates and assumptions which have been relied upon by the auditors.

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(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,053.65	1,779.87
- Expiring beyond one year (bank loans)	-	-

37C 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 and Foreign exchange risk.

37C.1 Interest rate risk

(a) The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	18,292.19	14,287.54
Fixed rate borrowings	20,910.42	21,071.24
Total borrowings	**39,202.60**	**35,358.78**

The Group had the following variable rate borrowings outstanding and cross currency interest rate swap contracts outstanding:

(₹ in crores)

	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.28%	16,944.64	43.22%	8.63%	13,501.49	38.18%
External Commercial borrowings	8.44%	1,232.55	3.14%	8.62%	757.93	2.14%
Non convertible debentures	8.25%	115.00	0.29%	7.51%	28.13	0.08%
Net exposure to cash flow interest rate risk		**18,292.19**			**14,287.54**	
Currency Interest Rate Swaps	8.97%	**1,394.53**	3.56%	9.36%	**387.64**	1.10%

An analysis by maturities is provided in note 37(B)(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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The Group had the following variable rate loans outstanding:

(₹ in crores)

	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
Floating rate loans	12.93%	18,283.62	44.25%	11.44%	15,862.96	45.17%

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest rates – increase by 30 basis points	(41.07)	(32.07)	-	-
Interest rates – decrease by 30 basis points	41.07	32.07	-	-

Profit or loss is sensitive to higher/lower interest income from loans as a result of changes in interest rates (assuming other variable constant)

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest rates – increase by 30 basis points	41.05	35.61	-	-
Interest rates – decrease by 30 basis points	(41.05)	(35.61)	-	-

37C.2. 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).

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps (CCRIS) 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.

The Group's currency position is as under

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	189.91	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	33.15	-	-	-	-	-
Net Gap as at 31.03.2023	**156.76**	-	-	-	-	-

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	45.85	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	154.52	-	-	-	-	-
Net Gap as at 31.03.2022	**(108.67)**	-	-	-	-	-

*It is fully hedged by forward contract and CCIRS

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD sensitivity				
INR/USD -Increase by 5%	-	-	(182.45)	(134.33)
INR/USD -Decrease by 5%	-	-	182.45	134.33

The sensitivity on profit and loss is due to the timing difference of the maturity of the Cross currency interest rate swap. On the date of maturity of the Cross currency interest rate swap, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

37C.3. Price Risk

(a) Exposure

The Group's exposure to assets having price risk is as under

(₹ in crores)

Particulars	Equity Share	Mutual Funds /Alternate Investment funds/ others	Bonds	Security Receipts	Total
Market Value as on March 31, 2023	0.05	2,284.73	346.52	879.70	3,511.00
Market Value as on March 31, 2022	0.05	1,108.81	-	83.30	1,192.16

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Increase 5%	131.37	44.61	-	-
Decrease 5%	(131.37)	(44.61)	-	-

37D.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 in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

37E. 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.In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in crores)

Particulars	As at March 31, 2023 Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	3,630.67
Bank Balance other than (a) above	-	-	2,208.36
Derivative financial instruments	9.22	214.36	-
Receivables			
(i) Trade receivables	-	-	121.43
(ii) Other receivables	-	-	151.96
Loans	-	6,923.97	33,077.14
Investments	2,459.60	-	1,051.40
Other financial assets	-	-	1,615.55
Total financial assets	**2,468.82**	**7,138.33**	**41,856.51**
Financial liabilities			
Derivative financial instruments	9.22	33.14	-
Trade payables	-	-	197.30
Other Payables	-	-	-
Finance lease obligation	-	-	413.43
Debt securities	-	-	7,925.30
Borrowings (other than debt securities)	-	-	28,476.27
Subordinated liabilities	-	-	3,202.42
Other financial liabilities	-	-	2,030.24
Total financial liabilities	**9.22**	**33.14**	**42,244.96**

(₹ in crores)

Particulars	As at March 31, 2022 Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	6,311.64
Bank Balance other than (a) above	-	-	1,945.29
Derivative financial instruments	9.87	64.41	-
Receivables			
(i) Trade receivables	-	-	183.29
(ii) Other receivables	-	-	15.80
Loans	-	5,662.46	28,030.43
Investments	1,182.52	-	9.64
Other financial assets	-	-	924.05
Total financial assets	**1,192.39**	**5,726.87**	**37,320.06**
Financial liabilities			
Derivative financial instruments	9.87	154.52	-
Trade payables	-	-	142.43
Other Payables	-	-	9.91
Finance lease obligation	-	-	360.68
Debt securities	-	-	7,838.08
Borrowings (other than debt securities)	-	-	25,319.37
Subordinated liabilities	-	-	2,568.05
Other financial liabilities	-	-	2,820.54
Total financial liabilities	**9.87**	**154.52**	**39,059.07**

37E. 1. *Financial instruments measured at fair value – Fair value hierarchy*

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.

37E.2. Valuation methodologies of financial instruments measured at fair value

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.
(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
(iii) Alternate investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
(v) Equity instruments in listed entities that are quoted market prices (unadjusted) in active markets for identical instruments are classified at level 1.
(vi) Government Securities are valued based on the closing price published by CCIL/ FIMMDA for March 2020 respectively and are classified as level 2.
(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs.
(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
(x) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
(xi) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

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(₹ 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	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	214.36	-	214.36	214.36
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Loans - classified under FVOCI	-	-	6,923.97	6,923.97	6,923.97
Investments	**404.01**	**43.21**	**2,012.38**	**2,459.60**	**2,459.60**
(i) Mutual Funds/Alternate Investment fund / Others	57.49	-	1,132.68	1,190.17	1,190.17
(ii) Security Receipts	-	-	879.70	879.70	879.70
(iii) Debt Securities	346.52	-	-	346.52	346.52
(iv) Government Securities	-	5.04	-	5.04	5.04
(v) Preference Shares	-	38.17	-	38.17	38.17
(vi) Certificate of Deposits	-	-	-	-	-
(vii) Commercial Papers	-	-	-	-	-
Total financial assets	**404.01**	**266.79**	**8,936.35**	**9,607.15**	**9,607.15**
Financial liabilities					
Forward rate agreements /CCIRS	-	33.15	-	33.15	33.15
Interest rate derivative	-	-	-	-	-
Call option included under Debt securities & Subordinated liabilities	-	9.22	-	9.22	9.22
Total financial liabilities	-	**42.37**	-	**42.37**	**42.37**

(₹ 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	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	64.41	-	64.41	64.41
Call option included under Debt securities & Subordinated liabilities	-	9.87	-	9.87	9.87
Loans - classified under FVOCI	-	-	5,662.46	5,662.46	5,662.46
Investments	**0.00**	-	**1,182.52**	**1,182.52**	**1,182.52**
(i) Mutual Funds/Alternate Investment fund / Others	0.00	-	1,099.22	1,099.22	1,099.22
(ii) Security Receipts	-	-	83.30	83.30	83.30
Total financial assets	**0.00**	**74.28**	**6,844.98**	**6,919.26**	**6,919.26**
Financial liabilities					
Forward rate agreements /CCIRS	-	154.52	-	154.52	154.52
Interest rate derivative	-	-	-	-	-
Call option included under Debt securities & Subordinated liabilities	-	9.87	-	9.87	9.87
Total financial liabilities	-	**164.39**	-	**164.39**	**164.39**

37E.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.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

Loans, Debts, Borrowings and Subordinated Debts

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. Loans and advances are presented net of provisions for impairment.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2023	Total fair value	Carrying Value	Valuation Hierarchy
Financial assets			
Cash and cash equivalents	3,630.67	3,630.67	
Bank Balance other than included above	2,208.36	2,208.36	
Receivables			
(i) Trade Receivables	121.43	121.43	
(ii) Other Receivables	151.96	151.96	
Loans	32,449.59	33,077.14	Level 3
Investment in debt securities	1,051.40	1,051.40	
Other Financial assets	1,615.55	1,615.55	
Total financial assets	**41,228.96**	**41,856.51**	
Financial Liabilities			
Trade Payables	197.30	197.30	
Finance lease obligation	413.43	413.43	
Debt Securities *	7,551.37	7,925.30	Level 3
Borrowings (Other than debt securities)	28,476.27	28,476.27	Level 3
Subordinated Liabilities	3,161.48	3,202.42	Level 3
Other financial liabilities	2,030.24	2,030.24	
Total financial liabilities	**41,830.10**	**42,244.97**	

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Total fair value	Carrying Value	Valuation Hierarchy
Financial assets			
Cash and cash equivalents	6,211.64	6,211.64	
Bank Balance other than included above	1,945.29	1,945.29	
Receivables			
(i) Trade Receivables	183.20	183.20	
(ii) Other Receivables	15.80	15.80	
Loans	21,915.81	28,030.43	Level 3
Investment in debt securities	9.64	9.64	
Other Financial assets	924.05	924.05	
Total financial assets	**31,205.43**	**37,320.05**	
Financial Liabilities			
Trade Payables	142.43	142.43	
Other payables	9.81	9.81	
Finance lease obligation	360.68	360.68	
Debt Securities *	7,662.86	7,838.08	Level 3
Borrowings (Other than Debt Securities)	24,172.23	25,313.37	Level 3
Subordinated Liabilities	2,591.86	2,568.55	Level 3
Other financial liabilities	2,830.54	2,830.54	
Total financial liabilities	**37,771.12**	**39,059.07**	

* For MTN Bond book value is been considered as fair value.

37.E.4 Movements in Level 3 financial instruments measured at fair value :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts	Equity
Balances as at April 1, 2022	**5,662.46**	**1,099.22**	**83.30**	-
Issuances	13,396.06	70.82	**913.70**	-
Re-classified to amortised cost	(624.07)	-	-	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(12,110.48)	(143.44)	**(95.39)**	-
Total gain /losses recognised in profit and loss	-	97.09	**(21.91)**	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Balances As at March 31, 2023	**6,923.97**	**1,132.69**	**879.70**	-
Unrealised gain /losses related to balances held at the end of financial year	-	165.66	(21.91)	-

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts	Equity
Balances as at April 1, 2021	5,217.17	7.11	-	-
Issuances	12,444.01	1,196.64	**103.71**	-
Re-classified to amortised cost	(821.07)	-	-	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(11,177.65)	(174.04)	**(20.41)**	-
Total gain /losses recognised in profit and loss	-	69.51	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Balances As at March 31, 2022	**5,662.46**	**1,099.22**	**83.30**	-
Unrealised gain /losses related to balances held at the end of financial year	-	68.57	-	-

37 F. Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2022, the Group 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 Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognised financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Financial assets derecognised during the year	12,110.48	11,177.65
Gain from derecognition	543.87	515.27

37 G. Transferred financial assets that are recognised in their entirety:

The Group 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 Group 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	743.94	2,406.51
Carrying amount of associated liabilities	743.94	2,406.51
Fair value of assets	743.81	2,405.76
Fair value of associated liabilities	743.94	2,406.10

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Note 38. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Contingent Liabilities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
In respect of Income tax demands (refer note a and b)	79.51	66.31
In respect of Service tax/ Gst demands (including interest accrued and refer note c)	65.84	83.17
In respect of Profession Tax demands (refer note d)	0.16	0.16
In respect of Bank guarantees given (refer note e)	584.94	845.50
In respect of Corporate guarantees given	23.34	23.34
In respect of legal case/ penalties/others	1.17	0.16
Contingent liability in respect of credit enhancement for securitisation transaction	79.95	195.67
In respect of Stamp Duty (refer note f)	16.66	16.66

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is 71.34 crores (P.Y ₹ 41.77 crores).

(c) Amount paid under protest with respect to service tax demand ₹ 1.89 crores (P.Y ₹ 1.89 crores) and with respect to GST demand ₹ 0.12 crores (P.Y ₹ 0.02 crores).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 crores (P.Y ₹ 0.05 crores).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Group had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Group has appealed against the same and paid ₹ 8.34 crores under protest towards its share of the liability and shown ₹ 16.66 crores as Contingent.The matter is pending before the court.

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

Commitments not provided for:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Commitments related to loans sanctioned but undrawn	2,139.07	2,483.11
Estimated amount of contracts remaining to be executed on capital and operating account	19.90	18.75
Commitments related to alternate investment funds	9.77	20.59

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Note 39. Employee Stock Option

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2008	As at March 2022 ESOP 2008
Number of Option outstanding	9,36,947	11,47,105
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	08-Mar-2016, 29-Apr-2017, 06-May-2021, 20-Aug-2021, 22-Dec-2021, 26- Aug 2022, 15-Oct 2022.	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017, 04-Sep-2020, 06-May-2021, 20-Aug-2021 and 22-Dec-2021.
Grant Price (₹ Per Share)	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71, ₹ 126.64, ₹ 252.00, ₹ 252.00 and ₹ 271.40

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

b) (ii) Movement of options during year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2021	**3,31,525**	**82.02-218.71**	**93.70**	**2.65**
Granted during the year	9,25,000	252.00-271.40	252.52	-
Expired/forfeited during the year	14,360	82	82.65	-
Exercised during the year	95,060	82.02-82.73	82.04	-
Outstanding as on March 31, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Exercisable as on March 31, 2022	**1,77,105**	**82.02-271.40**	**92.54**	**1.14**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	15-Oct-22	26-Aug-22	22-Dec-21	19-Aug-21
Stock price (₹)	350.00	341.65	271.40	252.00
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	7.37%	7.02%	5.81%	5.77%
Exercise price (₹)	350.00	341.65	271.40	252.00
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	45.31	42.15	35.40	35.40

Particulars	ESOP 2008			
	06-May-21	04-Sep-20	29-Apr-17	08-Mar-16
Stock price (₹)	252.00	87.85	218.71	82.02
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.66%	6.56%	6.66%	7.47%
Exercise price (₹)	252.00	126.64	218.71	82.02
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	34.72	21.10	201.65	76.59

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Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2020	As at March 2022 ESOP 2020
Number of Option outstanding	27,05,444	35,72,033
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	02-Dec-2015, 08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

(b) (ii) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weighted average exercise price (in ₹)	Weighted average remaining contractual life (Years)
Outstanding as on April 01, 2021	**44,33,233**	**61.48-182.22**	**150.40**	**4.06**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,98,225	177.04-182.22	177.37	-
Exercised during the year	6,62,975	61.48-182.22	118.03	-
Outstanding as on March 31, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Exercisable as on March 31, 2022	**20,31,205**	**61.48-182.22**	**150.73**	**3.05**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	18-Jan-19	18-Jan-19	21-Nov-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

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Particulars	ESOP 2020		
	02-May-18	08-Feb-17	02-Dec-15
Stock price (₹)	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%	6.82%
Exercise price (₹)	142.22	106.67	61.48
Time to Maturity (Years)	4.84	3.87	2.33
Dividend yield	1.00%	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78	37.90

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

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Note 40. Additional Dislcoure requirements

(i) Relationship with Struck off Companies

The Group has not enterend into any transactions with strike off companies

(ii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance with number of layers of companies

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Group.

(iv) Utilisation of Borrowed funds and share premium

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:-

(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed income

The Group has disclosed all its income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Group does not possess any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(b) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken As at March 31, 2023.

(ix) Wilful Defaulter

The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Group

Except the details as disclosed below all the title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

Title deeds of Immovable Property not held in name of the Group

As at March 31, 2023 (₹ in Crore)

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 Group
Investment Property (Refer note 12)	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 17)	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 Crore)

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 Group
Investment Property (Refer note 12)	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 17)	Building (19 Properties)	9.70	Borrowers to whom loan has been given	No	Various dates	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.

(xi) Disclosure on Loans and Advances

The Group 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 promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 080 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 41. List of Related Parties

Nature of relationship	Name of party *
Key managerial personnel	Mr. Nirmal Jain
	Mr. R. Venkataraman
	Mr. Kapish Jain (w.e.f November 01, 2022)
	Mr. Rajesh Rajak (upto October 31, 2022)
	Mrs. Sneha Patwardhan
	Mr. Monu Ratra
	Mr. Amit Gupta
	Mr. Ajay Jaiswal
	Mr. Narayanaswamy Venkatesh
	Mr. Shivaprakash Deviah
	Mr. Anantha Kumar T
	Mr. Pramod Kulkarni
	Mr. Manoranjan Biswal
Relatives of Key managerial personnel	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian) (w.e.f September 06, 2021)
	Mr. Venkatakrishnama Appanaidu Narayanaswamy
	Mrs. Anitha Shivaprakash
Other related parties	IIFL Securities Limited
	IIFL Facilities Services Limited
	IIFL Management Services Limited
	India Infoline Employee Trust
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	India Infoline Foundation
	360 One Distribution Services Limited (Formerly IIFL Wealth Distribution Services Limited)
	360 ONE WAM LIMITED (Formerly IIFL Wealth Management Limited)
	IIFL Wealth Prime Limited (Formerly IIFL Wealth Finance Limited)
	5Paisa Capital Limited
	5Paisa P2P Limited

* The above list includes related parties with whom transactions have been carried out during the year.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400-069 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

41.1 Significant transactions with related

(₹ in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Interest income			
5paisa Capital Limited	3.47	-	3.47
	(5.07)	-	(5.07)
IIFL Management Services Limited	-	-	-
	(0.01)	-	(0.01)
IIFL Facilities Services Limited	-	-	-
	(2.04)	-	(2.04)
IIFL Securities Limited	5.28	-	5.28
	(4.75)	-	(4.75)
Mr. Shankar Subramanian	-	0.04	0.04
	-	(0.02)	(0.02)
Interest expense			
IIFL Facilities Services Limited	0.00	-	0.00
	(9.01)	-	(9.01)
IIFL Management Services Limited	0.46	-	0.46
	(1.96)	-	(1.96)
360 ONE WAM LIMITED (Formerly known as	0.38		0.38
IIFL Wealth Management Limited)	-		-
IIFL Wealth Prime Limited (Formerly known	0.56	-	0.56
as IIFL Wealth Finance Limited)	(1.17)	-	(1.17)
IIFL Securities Limited	2.24	-	2.24
	(0.81)	-	(0.81)
Trademark License Fee			
IIFL Securities Limited	-	-	-
	-	-	-
Donation paid			
India Infoline Foundation	17.22	-	17.22
	(15.27)	-	(15.27)
Arranger/ processing fees /brokerage on non convertible debenture/merchant banking fees			
360 ONE WAM LIMITED (Formerly known as	6.77	-	6.77
IIFL Wealth Management Limited)	(4.39)	-	(4.39)
IIFL Securities Limited	0.40	-	0.40
	(46.46)	-	(46.46)
IIFL Management Services Limited	0.50		0.50
	-		-
Livlong Protection & Wellness Solutions	0.07		0.07
Limited(Formerly known as IIFL Corporate	-		-
5paisa Capital Limited	-	-	-
	-	-	-
Rent expenses			
IIFL Facilities Services Limited	3.82	-	3.82
	(1.92)	-	(1.92)
Referral fees income/Other charges Income			
Livlong Protection & Wellness Solutions	10.85		10.85
Limited(Formerly known as IIFL Corporate	-		-
Mr. Shankar Subramanian	-	0.00	0.00
	-	(0.00)	(0.00)
Commission / brokerage expense			
360 ONE WAM LIMITED (Formerly known as	0.09	-	0.09
	-	-	-
IIFL Securities Limited	1.48	-	1.48
	(0.09)	-	(0.09)
Brokerage/Commission on NCDs paid			
IIFL Securities Limited	7.06	-	7.06
	-	-	-

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

(₹ in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Remuneration paid			
Mr.Nirmal Jain	-	10.20	10.20
	-	(8.67)	(8.67)
Mr.Kapish Jain (from November 1, 2022	-	0.88	0.88
	-	-	-
Mrs. Sneha Patwardhan	-	0.74	0.74
	-	(0.58)	(0.58)
Mr.Rajesh Rajak (Upto October 31, 2022)	-	1.82	1.82
	-	(1.33)	(1.33)
Mr. Monu Ratra	-	4.65	4.65
	-	(4.95)	(4.95)
Mr. Amit Gupta	-	0.79	0.79
	-	(1.15)	(1.15)
Mr. Ajay Jaiswal	-	0.89	0.89
	-	(0.89)	(0.89)
Mr.Narayanaswamy Venkatesh	-	2.33	2.33
	-	(1.56)	(1.56)
Mr.Shivaprakash Deviah	-	1.02	1.02
	-	(0.73)	(0.73)
Mr. Anantha Kumar T	-	0.56	0.56
	-	(0.35)	(0.35)
Mr.Pramod Kulkarni	-	-	-
	-	(0.05)	(0.05)
Mr. Manoranjan Biswal	-	0.16	0.16
	-	(0.10)	(0.10)
Equity dividend paid			
India Infoline Employee Trust	0.03	-	0.03
	(0.03)	-	(0.03)
Mr.Narayanaswamy Venkatesh	-	0.01	0.01
	-	-	-
Mr.Shivaprakash Deviah	-	0.00	0.00
	-	-	-
Mr.Venkatakrishnama Appanaidu Narayanaswamy	0.01	-	-
	-	-	-
Mrs. Anitha Shivaprakash	0.00	-	-
	-	-	-
ICD/loan taken			
IIFL Facilities Services Limited	-	-	-
	(4,295.60)	-	(4,295.60)
IIFL Securities Limited	-	-	-
	(200.00)	-	(200.00)
ICD/loan returned			
IIFL Facilities Services Limited	-	-	-
	(4,295.60)	-	(4,295.60)
IIFL Securities Limited	-	-	-
	(200.00)	-	(200.00)
ICD/loan given			
5paisa Capital Limited	700.00	-	700.00
	(600.00)	-	(600.00)
IIFL Facilities Services Limited	-	-	-
	(2,663.50)	-	(2,663.50)
IIFL Management Services Limited	-	-	-
	(50.00)	-	(50.00)
IIFL Securities Limited	1,435.00	-	1,435.00
	(1,739.00)	-	(1,739.00)

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

(₹ in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
ICD/loan received back			
5paisa Capital Limited	700.00	-	700.00
	(600.00)	-	(600.00)
IIFL Management Services Limited	-	-	-
	(50.00)	-	(50.00)
IIFL Facilities Services Limited	-	-	-
	(2,663.50)	-	(2,663.50)
IIFL Securities Limited	1,435.00	-	1,435.00
	(1,739.00)	-	(1,739.00)
Mr. Shankar Subramanian	-	0.06	0.06
	-	-	-
Allocation / reimbursement of expenses paid			
IIFL Securities Limited	12.73	-	12.73
	(13.70)	-	(13.70)
IIHFL Sales Limited	-	-	-
	-	-	-
IIFL Management Services Limited	0.48	-	0.48
	(0.26)	-	(0.26)
IIFL Facilities Services Limited	3.03	-	3.03
	(2.21)	-	(2.21)
5paisa Capital Limited	0.06	-	0.06
	(0.04)	-	(0.04)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	-	-	-
	-	-	-
Allocation / reimbursement of expenses paid others			
IIFL Facilities Services Limited	0.09	-	0.09
	(0.20)	-	(0.20)
IIFL Insurance Brokers Limited	-	-	-
	(0.01)	-	(0.01)
5paisa Capital Limited	0.27	-	0.27
	(0.40)	-	(0.40)
5paisa P2P Limited	-	-	-
	(0.00)	-	(0.00)
IIFL Management Services Limited	0.01	-	0.01
	(0.03)	-	(0.03)
IIFL Securities Limited	0.92	-	0.92
	(2.29)	-	(2.29)
IIHFL Sales Limited	-	-	-
	-	-	-
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0.00	-	0.00
		-	-
Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)	0.05	-	0.05
	(0.02)	-	(0.02)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	-	-	-
	-	-	-

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

(₹ in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Allocation / reimbursement of expenses received			
IIFL Facilities Services Limited	0.08	-	0.08
	(0.09)	-	(0.09)
5paisa Capital Limited	1.56	-	1.56
		-	-
IIFL Management Services Limited	0.14	-	0.14
	(0.03)	-	(0.03)
IIHFL Sales Limited	-	-	-
	-	-	-
5paisa Capital Limited	-	-	-
	(0.87)	-	(0.87)
IIFL Securities Limited	3.54	-	3.54
	(3.15)	-	(3.15)
Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)	0.22	-	0.22
	(0.01)	-	(0.01)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	-	-	-
	-	-	-
Allocation / reimbursement of expenses received others			
IIFL Facilities Services Limited	0.01	-	0.01
	(0.10)	-	(0.10)
IIFL Management Services Limited	0.10	-	0.10
	(0.00)	-	(0.00)
IIFL Insurance Brokers Limited	-	-	-
	(0.07)	-	(0.07)
India Infoline Foundation	0.00	-	0.00
	-	-	-
5paisa Capital Limited	0.22	-	0.22
	(0.13)	-	(0.13)
5paisa P2P Limited	0.00	-	0.00
	-	-	-
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0.03	-	0.03
		-	-
IIHFL Sales Limited	-	-	-
	-	-	-
IIFL Commodities Limited	-	-	-
	-	-	-
Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate	0.06	-	0.06
	(0.03)	-	(0.03)
IIFL Securities Limited	1.14	-	1.14
	(1.01)	-	(1.01)
Security Deposit Paid			
IIFL Facilities Services Limited	0.53	-	0.53
	(0.04)	-	(0.04)
Repayment towards Borrowing			
IIFL Management Services Limited	0.12		0.12
	-		-
Security Deposit Received			
IIFL Facilities Services Limited	0.01		0.01
	-		-
Sale of investment			
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	-
	-	-	-

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI
CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS
IIFL FINANCE LIMITED

(₹ in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Non convertible debenture Issued			
IIFL Facilities Services Limited	-	-	-
	(0.04)	-	(0.04)
IIFL Securities Limited	-	-	-
	(50.00)	-	(50.00)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	25.07	-	-
	-	-	-
IIFL Management Services Limited	55.09	-	55.09
	(94.30)	-	(94.30)
Investment in Non convertible debentures/Buyback			
IIFL Management Services Limited	-	-	-
	(108.11)	-	(108.11)

Note 41.2 Closing balances with related parties

(` in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Other payable			
IIFL Facilities Services Limited	0.14	-	0.14
	(0.13)	-	(0.13)
5paisa Capital Limited	0.02	-	0.02
	(0.17)	-	(0.17)
5paisa P2P Limited	-	-	-
	-	-	-
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	1.52	-	1.52
	(4.02)	-	(4.02)
IIFL Management Services Limited	0.11	-	0.11
	-	-	-
IIHFL Sales Limited	-	-	-
	-	-	-
IIFL Insurance Brokers Limited	-	-	-
	-	-	-
IIFL Securities Limited	-	-	-
	(1.26)	-	(1.26)
Other receivable			
IIFL Management Services Limited	-	-	-
	(0.01)	-	(0.01)
IIFL Securities Limited	0.73	-	0.73
	-	-	-
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0.01	-	0.01
	(0.04)	-	(0.04)
Livlong Protection & Wellness Solutions Limited(Formerly known as IIFL Corporate Services Limited)	3.11	-	3.11
	(0.05)	-	(0.05)
India Infoline Foundation	-	-	-
	(5.49)	-	(5.49)
360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)	-	-	-
	-	-	-
Mr. Shankar Subramanian	-	0.15	0.15
	-	-	-
Security Deposit receivable			
IIFL Facilities Services Limited	1.44	-	1.44
	(0.92)	-	(0.92)
Outstanding non convertible debenture Issued			

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

(₹ in Crores)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
IIFL Facilities Services Limited	-	-	-
	(0.00)	-	(0.00)
IIFL Management Services Limited	4.00	-	4.00
	(4.00)	-	(4.00)
IIFL Securities Limited	8.00	-	8.00
	(52.30)	-	(52.30)
360 ONE WAM LIMITED (Formerly known as IIFL	21.46	-	21.46
	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	7.60	-	7.60
	(26.70)	-	(26.70)
Interest accrued on outstanding non convertible debenture issued			
IIFL Facilities Services Limited	-	-	-
	(0.00)	-	(0.00)
IIFL Management Services Limited	-	-	-
	-	-	-
IIFL Securities Limited	-	-	-
	(1.97)	-	(1.97)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	3.10	-	3.10
	(1.97)	-	(1.97)
Loan & other receivable			
Mr. Shankar Subramanian	-	0.15	0.15
	-	(0.20)	(0.20)
Gratuity payable*			
Mr.Nirmal Jain	-	0.15	0.15
	-	(0.15)	(0.15)
Mr.Kapish Jain	-	0.01	0.01
	-	-	-
Mrs. Sneha Patwardhan	-	0.01	0.01
	-	(0.01)	(0.01)
Mr.Rajesh Rajak (Upto October 2022)	-	0	-
	-	(0.02)	(0.02)
Mr. Monu Ratra	-	0.10	0.10
	-	(0.10)	(0.10)
Mr. Amit Gupta	-	0.10	0.10
	-	(0.09)	(0.09)
Mr. Ajay Jaiswal	-	0.09	0.09
	-	(0.08)	(0.08)
Leave encashment payable*			
Mr.Nirmal Jain	-	0.89	0.89
	-	(0.64)	(0.64)
Mr.Kapish Jain	-	0.02	0.02
	-	-	-
Mrs. Sneha Patwardhan	-	0.02	0.02
	-	(0.02)	(0.02)
Mr.Rajesh Rajak (Upto October 2022)	-	-	-
	-	(0.01)	(0.01)
Mr. Monu Ratra	-	0.17	0.17
	-	(0.15)	(0.15)
Mr. Amit Gupta	-	0.05	0.05
	-	(0.04)	(0.04)
Mr. Ajay Jaiswal	-	0.05	0.05
	-	(0.05)	(0.05)

* Based on acturial valuation report
#Amount is less than ₹ 0.01 crore hence shown as ₹ 0.00 crore wherever applicable.
(Figure in bracket represents previous year figures)

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 42.1. 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	3,630.38	0.29	3,630.67
(b)	Bank balance other than (a) above	1,761.22	447.14	2,208.36
(c)	Derivative financial instruments	95.21	128.37	223.58
(d)	Receivables	-	-	
	(i) Trade receivables	120.51	0.92	121.43
	(ii) Other receivables	151.96	-	151.96
(e)	Loans	18,051.63	21,949.48	40,001.11
(f)	Investments	1,557.03	1,953.97	3,511.00
(g)	Other financial assets	747.79	867.76	1,615.55
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	2.15	237.44	239.59
(b)	Deferred tax assets (net)	-	122.67	122.67
(c)	Investment property	-	296.04	296.04
(d)	Property, plant and equipment	-	176.13	176.13
(e)	Capital work-in-progress	27.30	0.10	27.40
(f)	Right to use assets	-	386.60	386.60
(g)	Other intangible assets	-	3.38	3.38
(h)	Other non-financial assets	197.48	75.05	272.53
(i)	Assets held for sale	13.32	-	13.32
	Total Assets	**26,355.98**	**26,645.34**	**53,001.32**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	38.59	3.78	42.37
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	3.01	0.01	3.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	193.65	0.63	194.28
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	96.43	317.00	413.43
(d)	Debt securities	3,230.95	4,694.35	7,925.30
(e)	Borrowings (other than debt securities)	10,523.29	17,952.98	28,476.27
(f)	Subordinated liabilities	243.43	2,958.99	3,202.42
(g)	Other financial liabilities	2,030.24	-	2,030.24
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	45.82	-	45.82
(b)	Provisions	66.22	18.55	84.77
(c)	Deferred tax liabilities	-	0.61	0.61
(d)	Other non-financial liabilities	380.55	0.10	380.65
[3]	**EQUITY**			
(a)	Equity share capital	-	76.09	76.09
(b)	Other equity	-	8,915.97	8,915.97
(c)	Non-controlling interest	-	1,210.08	1,210.08
	Total Liabilities and Equity	**16,852.18**	**36,149.14**	**53,001.32**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 42.2. Maturity analysis of assets and liabilities As at March 31, 2022

(₹ in crores)

No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	6,211.64	-	6,211.64
(b)	Bank balance other than (a) above	1,414.05	531.24	1,945.29
(c)	Derivative financial instruments	-	74.28	74.28
(d)	Receivables	-	-	-
	(I) Trade receivables	183.18	0.02	183.20
	(ii) Other receivables	15.80	-	15.80
(e)	Loans	14,940.89	18,752.00	33,692.89
(f)	Investments	0.34	1,191.82	1,192.16
(g)	Other financial assets	164.86	759.19	924.05
		-	-	-
[2]	**Non-financial assets**	-	-	-
(a)	Current tax assets (net)	1.64	232.53	234.17
(b)	Deferred tax assets (net)	-	285.82	285.82
(c)	Investment property	-	295.19	295.19
(d)	Property, plant and equipment	-	150.52	150.52
(e)	Capital work-in-progress	5.14	0.50	5.64
(f)	Right to use assets	-	327.53	327.53
(g)	Other intangible assets	-	2.11	2.11
(h)	Other non-financial assets	103.36	249.24	352.60
(i)	Assets held for sale	17.55	-	17.55
	Total Assets	**23,058.45**	**22,851.99**	**45,910.44**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6.23	158.16	164.39
(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	141.41	1.02	142.43
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.91	-	9.91
(c)	Finance lease obligation	74.92	285.76	360.68
(d)	Debt securities	1,238.78	6,599.30	7,838.08
(e)	Borrowings (other than debt securities)	8,064.17	17,255.20	25,319.37
(f)	Subordinated liabilities	97.82	2,470.23	2,568.05
(g)	Other financial liabilities	2,794.52	26.02	2,820.54
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	50.21	-	50.21
(b)	Provisions	50.38	13.73	64.11
(c)	Other non-financial liabilities	102.94	-	102.94
[3]	**EQUITY**			
(a)	Equity share capital	-	75.92	75.92
(b)	Other equity	-	6,387.91	6,387.91
(c)	Non-controlling interest	-	5.90	5.90
	Total Liabilities and Equity	**12,631.29**	**33,279.15**	**45,910.44**

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 43. Corporate Social Responsibility:

During the financial year 2022-23, the Group has spent ₹ 21.35 crore (P.Y. ₹ 12.74 crore) out of the total amount of ₹ 27.40 crore (P.Y. ₹ 18.77 crore) resulting into shortall of ₹ 6.05 crore (P.Y. ₹ 6.03 crore). The shorfall amount pertains towards the ongoing projects. The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2023-24.The aforementioned amount has been contributed to India Infoline Foundation.

Note 44. Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements:

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)
IIFL Finance Limited	31.44%	3,207.09	44.66%	717.93	64.69%	20.82	45.05%	738.75
Indian Subsidiaries								
IIFL Home Finance Limited	43.25%	4,412.64	39.92%	641.75	33.23%	10.70	39.79%	652.45
Samasta Microfinance Limited	12.90%	1,316.15	7.82%	125.67	6.81%	2.19	7.80%	127.86
IIFL Open Fintech Private Limited	0.41%	42.08	0.23%	3.68	0.00%	-	0.22%	3.68
Indian Step down Subsidiary								
IIHL Sales Limited	0.14%	14.10	0.70%	11.27	-	-	0.69%	11.27
Subtotal	**88.14%**	**8,992.06**	**93.33%**	**1,500.30**	**104.72%**	**33.71**	**93.55%**	**1,534.00**
Non Controlling interest in subsidiaries	11.86%	1,210.08	6.67%	107.25	(4.71%)	(1.52)	6.45%	105.73
Total		**10,202.15**		**1,607.55**		**32.19**		**1,639.73**

Note 45. Segment Reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 on 'Segment Reporting'.

Note 46. Shared services

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Note 47. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

Form AOC-I

Salient features of financial statements of Subsidiaries as per Companies Act, 2013 as on March 31, 2023

(₹ in crores)

Sr. No.	Particulars	IIFL Home Finance Limited	Samasta Microfinance Limited	IIFL Open Fintech Private Limited	IIHFL Sales Limited
1	Share Capital	26.34	593.64	16.84	0.05
2	Other Equity	5,526.86	728.51	101.94	14.05
3	Total Assets	21,785.18	8,904.10	119.56	41.47
4	Total Liabilities	16,231.98	7,581.95	0.78	27.37
5	Investments	1,427.24	160.42	57.49	-
6	Total Turnover	2,731.16	1,753.51	5.77	47.28
7	Profit/ (loss) before taxation	1,022.90	158.51	4.92	14.86
8	Provision for taxation (including deferred tax)	232.57	30.33	1.24	3.61
9	Total Comprehensive income	802.00	127.87	3.68	11.25
10	Proposed preference dividend	-	-	-	-
11	Extent of interest in subsidiary	79.59%	99.51%	51.02%	100.00%

Note: Reporting period for the subsidiary is the same as holding company.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

KAPISH JAIN
Chief Financial Officer

SNEHA PATWARDHAN
Company Secretary

Place : Mumbai
Dated: April 26, 2023

IIFL

IIFL Finance Limited

Standalone Financial Statements

as on 31st March, 2023

(₹in Crores)

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines,
Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg,
Near East West Flyover, Andheri (East)
Mumbai – 400 069

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Finance Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of IIFL Finance Limited, which comprise Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards 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 state of affairs of the Company as at 31st March 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Sr.no	Key Audit Matter	Response to Key Audit Matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's

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CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Sr.no	Key Audit Matter	Response to Key Audit Matter
	to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**<u>Impairment of Financial Assets held at amortised cost:</u>** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Refer Note 37A.3 to the Financial Statements.	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our understanding of the business. We assessed the design and implementation of key Internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report and Management Discussion and Analysis report, 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 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the 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 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 the Indian accounting standards specified under Sec 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

V. Sankar Aiyar & Co. Mumbai Chartered Accountants

Chhajed & Doshi Mumbai 400 069. Chartered Accountants

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 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 financial controls 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 system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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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 of the financial statements.

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 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 maintained for the purpose or preparation of the financial statements.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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 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 during the year is in accordance with the provisions of section 197 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 38 of the 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 not been any delay in transferring amounts which requires 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, 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 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, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether

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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; and

(c) In our opinion and based on the audit procedures, we have 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 dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of Companies (Accounts) Rule, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For V Sankar Aiyar & Co. **Chartered Accountants** **(FRN: 109208W)**	**For Chhajed & Doshi** **Chartered Accountants** **(FRN: 101794W)**
G. Sankar **Partner** **M. No.046050** **Place: Mumbai** **Date: April 26, 2023** **UDIN: 23046050BGTZVA5233**	**M. P. Chhajed** **Partner** **M. No. 049357** **Place: Mumbai** **Date: April 26, 2023** **UDIN: 23049357BGSK6852**

Annexure A to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Finance Limited on the accounts for the year ended 31st March 2023.

3(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Based on the information and explanation given to us and on verification of the records of the Company, the physical verification was conducted during the financial year 2020-21 and no material discrepancies were observed on such verification.

(c) According to the information and explanations given to us and based on verification of records provided to us, we report that, the title deeds of 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) disclosed in the financial statements are held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) As per the information and explanation provided to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3(ii) (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.

(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 namely financial asset. Based on our verification, the quarterly statements filed by the company with such banks and financial institutions are in agreement with the books of account of the Company.

3(iii)(a) The company being a Non-Banking Finance Company, the provisions of clause 3(iii)(a) are not applicable to the company.

(b) According to the information and explanations given to us and based on the verification of the records and in our opinion the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) The company being a Non-banking Finance company is in the business of granting loans and advances which are in the nature of loans. The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except accounts which are overdue are classified as special mention accounts or non-performing assets as per RBI norms.

(d) The total amount overdue for more than ninety days is Rs. 43.78 crores with respect to 61,207 borrowers. Based on the information and explanations given to us and in our opinion reasonable steps have been taken by the company for recovery of principal and interest.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

(e) The company being a Non-Banking Finance Company, the provisions of clause 3(iii)(e) are not applicable to the company.

(f) As per the information and explanation made available to us and in our opinion 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.

3(iv) The Company is a registered Non-Banking Finance Company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2020 is not applicable.

3(v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Companies Act,2013 for the company.

3(vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31st March 2023, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit of disputed dues of sales tax or duty of customs or duty of excise. According to the information and explanations given to us, the following dues of income tax, service tax and Goods and service tax have not been deposited by the Company on account of dispute as at 31st March, 2023.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. in Crores)	Amount Deposited under protest (Rs. in Crores)
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2008-09	-	2.25
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2009-10		2.08
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2010-11	2.19	4.06
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2011-12	2.54	1.48
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2012-13	8.03	4.19
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2013-14	0.96	4.26
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	6.14	1.54

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CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	3.85	10.29
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2018-19	0.82	8.53
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2020-21	-	10.13
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2021-22	-	17.80
Income Tax Act, 1961	Income Tax	ITAT	AY 2012-13	8.90	-
Income Tax Act, 1961	Income Tax	ITAT	AY 2013-14	-	0.38
Income Tax Act, 1961	Income Tax	ITAT	AY 2014-15	-	0.50
Income Tax Act, 1961	Income Tax	ITAT	AY 2016-17	-	1.39
The Finance Act, 1994	Service tax	Adjudicating Authority	Apr 2007 to March 2012	0.25	0.004
The Finance Act, 1994	Service tax	CESTAT Mumbai	April 2007 to 13 May 2008	13.71	0.22
The Finance Act, 1994	Service tax	CESTAT Mumbai	July 2012 to March 2014	16.70	0.34
The Finance Act, 1994	Service tax	CESTAT Mumbai	July 2012 to March 2014	49.26	1.33
Goods and Service tax Act	GST	GST Appeal Andhra Pradesh	01st July '17 to 31st March '19	0.43	0.02
Goods and Service tax Act	GST	GST Appeal Mumbai	01st July'17 to 31st March'18	0.14	0.01
Goods and Service tax Act	GST	GST Appeal Karnataka	Upto Sep -19	0.20	0.01

3(viii) As per the information and explanation provided to us and as represented to us, there were no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

3(ix)(a) According to the information and explanation given to us and based on our audit procedures, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations provided to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations and records provided to us the term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations provided to us, in our opinion the funds raised on short term basis have not been utilised for long term purposes.

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CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

(e) According to the information and explanations provided to us and on examination of records, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

3(x) (a) According to the information and explanations given to us and in our opinion, money raised by way of initial public offer or further public offer (including debt instruments) have been applied by the Company during the year for the purposes for which they were raised.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year and hence reporting under clause (xiv) of CARO 2020 is not applicable to the Company. In case of shares issued to the employees under Employee Option scheme the requirements of section 62 or the companies act have been complied with and the funds raised have been used for the purposes for which funds were raised.

3(xi)(a) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company, during the course of business operation amounting to Rs.4.24 crores. No fraud by the company has been noticed or reported during the year. We have not been informed of any such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing, and extent of our audit procedures.

3(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

3(xiii) According to the information and explanations given to us and in our opinion, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

3(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.

3(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

3(xvi)(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

(b) The company has carried on the business of Non- Banking Financial activities with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

3(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

3(xviii) There has been no resignation of the statutory auditors of the Company during the year.

3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities 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.

3(xx) According to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

For V Sankar Aiyar & Co. **Chartered Accountants** **(FRN: 109208W)** G.Sankar V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS **G. Sankar** **Partner** **M. No.046050** **Place: Mumbai** **Date: April 26, 2023** **UDIN: 23046050BGTZVA5233**	**For Chhajed & Doshi** **Chartered Accountants** **(FRN: 101794W)** CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS **M. P. Chhajed** **Partner** **M. No. 049357** **Place: Mumbai** **Date: April 26, 2023** **UDIN: 23049357BGSK6852**

Annexure referred to in our report of even date to the members of IIFL Finance Limited on the standalone accounts for the year ended 31st March 2023

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 over financial reporting of IIFL Finance Limited ("the Company") as of 31st March 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V Sankar Aiyar & Co. **Chartered Accountants** **(FRN: 109208W)** **G. Sankar** **Partner** **M. No.046050** **Place: Mumbai** **Date: April 26, 2023** **UDIN: 23046050BGTZVA5233**	**For Chhajed & Doshi** **Chartered Accountants** **(FRN: 101794W)** **M. P. Chhajed** **Partner** **M. No. 049357** **Place: Mumbai** **Date: April 26, 2023** **UDIN: 23049357BGSK6852**

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2023

(₹ in crores)

Sr. No	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	4	1,762.39	4,356.94
(b)	Bank balance other than (a) above	5	1,407.07	1,251.87
(c)	Derivative financial instruments	6	172.37	64.41
(d)	Receivables			
	(i) Trade receivables	7	66.51	140.54
	(ii) Other receivables	7	151.96	15.80
(e)	Loans	8	14,549.34	12,884.05
(f)	Investments	9	3,779.69	2,448.85
(g)	Other financial assets	10	867.02	518.82
			22,756.35	21,681.28
[2]	**Non-financial assets**			
(a)	Current tax assets (net)		225.77	227.02
(b)	Deferred tax assets (net)	11	31.80	158.50
(c)	Investment property	12	293.70	288.51
(d)	Property, plant and equipment	13	147.79	134.82
(e)	Capital work-in-progress	14	27.40	5.64
(f)	Right to use assets	15	328.23	297.25
(g)	Other intangible assets	16	2.95	1.92
(h)	Other non-financial assets	17	260.50	333.72
(i)	Assets held for sale	18	7.85	7.84
			1,325.99	1,455.22
	Total Assets		24,082.34	23,136.50
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6	33.14	149.46
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	19	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	133.38	86.17
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	-	9.91
(c)	Finance lease obligation	15	352.22	327.62
(d)	Debt securities	20	5,194.09	5,105.28
(e)	Borrowings (other than debt securities)	21	10,526.89	9,771.07
(f)	Subordinated liabilities	22	1,659.51	1,369.64
(g)	Other financial liabilities	23	894.33	1,784.73
			18,793.56	18,603.88
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		29.63	18.44
(b)	Provisions	24	51.26	41.38
(c)	Other non-financial liabilities	25	92.98	45.90
			173.87	105.72
	Total Liabilities		18,967.43	18,709.60
[3]	**Equity**			
(a)	Equity share capital	26	76.09	75.92
(b)	Other equity	26.1	5,038.82	4,350.98
			5,114.91	4,426.90
	Total Liabilities and Equity		24,082.34	23,136.50
See accompanying notes forming part of the financial statements		1 - 61		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No.

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crores)

Sr. No	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
	Revenue from operations			
(i)	Interest income	27.1	3,468.42	3,502.45
(ii)	Dividend income	27.2	87.58	62.91
(iii)	Fees and commission income		62.30	50.15
(iv)	Net gain on fair value changes	28	91.82	150.74
(v)	Net gain on derecognition of financial instruments under amortised cost category	31	348.06	313.41
(I)	**Total revenue from operations**		**4,058.18**	**4,079.66**
(II)	**Other income**	29	30.51	26.94
(III)	**Total Income (I+II)**		**4,088.69**	**4,106.60**
	Expenses			
(i)	Finance costs	30	1,455.96	1,615.61
(ii)	Net loss on derecognition of financial instruments under amortised cost category	31	355.15	723.83
(iii)	Impairment on financial instruments	32	(69.62)	(206.93)
(iv)	Employee benefits expenses	33	672.38	519.90
(v)	Depreciation, amortisation and impairment	13, 15 & 16	124.77	106.43
(vi)	Other expenses	34	507.33	380.39
(IV)	**Total Expenses (IV)**		**3,045.97**	**3,139.23**
(V)	**Profit before exceptional items and tax (III-IV)**		**1,042.72**	**967.37**
(VI)	Exceptional items		-	-
(VII)	**Profit before tax (V +VI)**		**1,042.72**	**967.37**
(VIII)	**Tax expense:**			
	(1) Current tax	35	117.53	171.28
	(2) Deferred tax	11 & 35	119.70	51.18
	(3) Current tax expenses relating to previous years	35	-	(0.57)
	Total tax expense		**237.23**	**221.89**
(IX)	**Profit for the year (VII-VIII)**		**805.49**	**745.48**
(X)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liability/(asset)	35	(1.79)	0.96
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 35	0.45	(0.24)
	Subtotal (A)		**(1.34)**	**0.72**
	(B) (i) Items that will be reclassified to profit or loss			
	(a) Cash flow hedge (net)	35	29.61	(14.13)
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 35	(7.45)	3.56
	Subtotal (B)		**22.16**	**(10.57)**
	Other Comprehensive Income (A+B)		**20.82**	**(9.85)**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**826.31**	**735.63**
(XII)	**Earnings per equity share of face value ₹ 2 each**	36		
	Basic (₹)		21.20	19.66
	Diluted (₹)		21.04	19.54
	See accompanying notes forming part of the financial statements	1 - 61		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crores)

Particulars	Notes	Year ended March 31, 2023		Year ended March 31, 2022	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**1,042.72**		**967.37**
Adjustments for:					
Depreciation, amortisation and impairment	13, 15 & 16	124.77		106.43	
Impairment on loans	32	(80.31)		(215.96)	
Impairment on other financial instruments		10.69		(8.32)	
(Profit)/ loss on sale of assets		(0.05)		(0.03)	
(Gain)/ loss on termination of lease - Ind AS 116		(3.03)		(0.33)	
Net (gain)/ loss on fair value changes on investments- realised	28	(29.74)		(72.16)	
Net (gain)/ loss on fair value changes on investments- unrealised	28	(62.08)		0.13	
Net (gain)/ loss on derecognition of financial instruments under amortised cost	31	(348.06)		(313.41)	
Employee benefit expenses - share based		2.64		3.10	
Employee benefit expenses - others		8.75		6.74	
Interest on loans		(3,355.11)		(3,434.01)	
Interest on deposits with banks	27.1	(80.94)		(60.18)	
Interest on investments	27.1	(32.37)		-	
Dividend income	27.2	(87.58)		(62.91)	
Finance cost		1,416.27		1,582.01	
Interest expenses - Ind AS 116	15	29.96		28.57	
Net (gain)/ loss on buy back of debentures		(4.47)		(0.79)	
Income received on loans		3,585.73		3,919.83	
Interest received on deposits with banks		58.48		60.34	
Income received on investments		31.14		-	
Finance cost paid		(1,393.20)	(208.51)	(1,645.64)	(106.59)
Operating profit/(loss) before working capital changes			**834.21**		**860.78**
Decrease/ (increase) in financial and non financial assets		7.29		(18.36)	
Increase/(decrease) in financial and non financial liabilities		(1,001.34)	(994.05)	419.06	400.70
Cash (used in)/ generated from operations			**(159.84)**		**1,261.48**
Taxes paid			(105.08)		(150.97)
Net cash (used in)/ generated from operating activities			**(264.92)**		**1,110.51**
Loans (disbursed)/ repaid (net)			(1,815.60)		2,445.75
Net cash (used in)/ generated from operating activities (A)			**(2,080.52)**		**3,556.26**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(90.29)		(84.24)
Sale of property, plant and equipment and other intangible assets			1.43		0.70
Purchase of equity investments in subsidiary			(497.48)		(225.00)
Purchase of investment property			(5.19)		(24.51)
Proceeds/(Purchase) of investments			(740.30)		(947.56)
Dividend income			87.58		62.91
Proceeds/(Deposits) from maturity of deposits placed with Banks			(139.78)		290.56
Net cash (used in)/ generated from investing activities (B)			**(1,384.03)**		**(927.14)**
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share (including securities premium)			11.13		8.60
Payment of stamp duty on account of merger			-		(8.34)
Dividend paid (including dividend distribution tax)			(152.10)		(132.82)
Proceeds from debt securities			1,238.73		1,514.82
Repayment of debt securities			(1,149.33)		(1,835.79)
Proceeds from borrowings (other than debt securities)			10,113.83		4,032.37
Repayment of borrowings (other than debt securities)			(9,346.72)		(3,502.79)
Proceeds from subordinated liabilities			302.39		50.00
Repayment of subordinated liabilities			(43.00)		(363.97)
Payment of lease liability			(104.93)		(86.13)
Net cash (used in)/ generated from financing activities (C)			**870.00**		**(324.05)**
Net increase in cash and cash equivalents (A + B + C)			**(2,594.55)**		**2,305.07**
Add : Opening cash and cash equivalents as at the beginning of the year			4,356.94		2,051.87
Cash and cash equivalents as at the end of the year	4		**1,762.39**		**4,356.94**
See accompanying notes forming part of the financial statements	1 - 61				

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. [illegible]

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

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

A. Equity Share Capital

(₹ in crores)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2023 (Refer Note 26)	75.92	0.17	76.09
As at March 31, 2022 (Refer Note 26)	75.77	0.15	75.92

Particulars	Share application money pending allotment (Note 1)	Reserves & Surplus								Other Comprehensive Income (OCI)		Total
		Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Capital Redemption Reserve (Note 6)	Debenture Redemption Reserve (Note 7)	Retained Earnings (Note 8)	Stock Compensation Reserve (Note 9)	Effective portion of Cash Flow Hedges (Note 10)	Remeasurements of defined benefit (Note 11)	
Balance as at April 01, 2021	-	83.89	1,840.16	509.29	594.19	230.11	12.80	481.17	15.91	(21.78)	(0.77)	3,744.96
Profit for the year	-	-	-	-	-	-	-	745.48	-	-	-	745.48
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	(10.57)	0.72	(9.85)
Interim dividend	-	-	-	-	-	-	-	(132.82)	-	-	-	(132.82)
Share issue expenses	-	-	(8.34)	-	-	-	-	-	-	-	-	(8.34)
Transfer to/ (from) reserves	-	-	4.76	0.06	195.23	-	-	(195.23)	(4.82)	-	-	(0.00)
Addition during the year	-	-	8.45	-	-	-	-	-	3.10	-	-	11.55
Balance as at March 31, 2022	-	83.89	1,845.03	509.35	789.42	230.11	12.80	898.60	14.18	(32.35)	(0.05)	4,350.98
Profit for the year	-	-	-	-	-	-	-	805.49	-	-	-	805.49
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	22.16	(1.34)	20.82
Interim dividend	-	-	-	-	-	-	-	(152.09)	-	-	-	(152.09)
Transfer to/ (from) reserves	-	-	6.07	1.09	161.11	-	-	(161.11)	(7.16)	-	-	-
Addition during the year	-	-	10.97	-	-	-	-	-	2.65	-	-	13.62
Balance as at March 31, 2023	-	83.89	1,862.06	510.44	950.53	230.11	12.80	1,390.89	9.67	(10.19)	(1.39)	5,038.82

V. SANKAR AIYAR & CO. ★ CHARTERED ACCOUNTANTS MUMBAI

CHHAJED & DOSHI ★ CHARTERED ACCOUNTANTS MUMBAI 400 069.

IIFL FINANCE LIMITED

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

Notes:

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.
2. **Capital Reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.
3. **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
4. **General Reserve:** The reserve can be distributed/ utilised by the Company, in accordance with The Companies Act, 2013.
5. **Special Reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, 20% of the profit after tax for the year has been transferred from Retained Earnings to Special Reserve.
6. **Capital Redemption Reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of The Companies Act, 2013.
7. **Debenture Redemption Reserve:** Pursuant to Section 71 of The Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 the Company being an NBFC is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
8. **Retained Earnings:** These are the profits that the Company has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and Capital Redemption Reserve.
9. **Stock Compensation Reserve:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
10. **Effective portion of Cash Flow Hedges:** These reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
11. **Remeasurements of defined benefit:** This reserve 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.

See accompanying notes forming part of the financial statements (1 - 61)

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

G. Sankar
Partner
Membership No. 046050

M.P. Chhajed
Membership No. 049357

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Kapish Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

Note 1. CORPORATE INFORMATION:

Company overview

IIFL Finance Limited (the "Company") is a Systemically Important Non-Banking Financial Company not accepting public deposits ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 12, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as gold loan, loans to Micro, small & medium enterprise ("MSME"), loan against securities and digital finance loans.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On April 26, 2023, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

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 Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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 not traded in active market) 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.

(a) Use of estimates and judgments

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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 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.

(b) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the provisions of the Act and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations requires a different treatment.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

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.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 taking into

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account all the contractual terms of the instrument.

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.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

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. Assignment transactions:

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, 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.

vi. Other operational revenue

Other operational revenue 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")

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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 original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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 / group of similar 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	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above 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.

An item of PPE 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 PPE 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.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest 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.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

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Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

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.

(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 and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) 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. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(f) Impairment of 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.

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 is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to an extent that it 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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(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments 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 instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

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

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 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

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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 being 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) 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.

(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 is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

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Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and 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

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.

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 the Statement of Profit and Loss.

Financial assets
Classification and 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 instruments 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

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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 ("SPPI") 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):

- 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 and 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 and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

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Interest income is recognised in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Company's right to receive dividends is established.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting poli cy on modification and derecognition of financial assets described below.

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. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is 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 measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether

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it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- 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.
- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

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 computation is as per the applicable prudential regulatory norms.

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. 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

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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.

Modification and derecognition 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 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

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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 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.

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.

Compound instruments

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The component parts of compound instruments (e.g. convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

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 of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

(l) Investment in subsidiaries

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Investment in subsidiaries is recognised at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(m) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. 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 method.

(p) Foreign currencies

In preparing the financial statements, 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(r) Provisions, contingent liabilities and contingent assets

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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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent 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 neither recognised nor disclosed in the financial statements.

(s) 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.

(t) Derivative financial instruments and hedging

The company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures relating to foreign currency borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

The company designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The forward cost are separately accounted for as a cost of hedging and are recognised in OCI and accumulated in a cost of hedging reserve as a separate component within equity.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in

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the fair value of the derivative is recognised in OCI and accumulated under the heading of Cash Flow Hedge Reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss, and is included in the other Income line item.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(u) 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 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.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as a lessee

As a lessee, the Company leases assets which includes gold loan branches/office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-to-use assets and lease liabilities for these leases.

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(v) Recent Accounting Pronouncements

On March 31, 2023, Ministry of Corporate Affairs ("MCA") has 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 period beginning on or after April 1,2023. The company has evaluated the amendment 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 period 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 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 period beginning on or after April 1,2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

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Note 4. Cash and Cash Equivalents

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	58.47	48.65
Balance with Banks - In current accounts	903.95	3,490.85
- In deposit accounts	-	817.07
- Interest accrued on above deposits	-	0.37
CCIL Lending/Money at call or short notice	799.97	-
Total	**1,762.39**	**4,356.94**

Note 5. Bank Balance (Other Than Cash and Cash Equivalents)

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks in earmarked accounts towards unclaimed amount on NCD and dividend	6.57	13.61
In Deposit accounts (refer note 5.1)	1,372.24	1,232.46
Interest accrued on fixed deposits (refer note 5.1)	28.26	5.80
Total	**1,407.07**	**1,251.87**

Note 5.1 Out of the Fixed Deposits shown above

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Lien marked	1,236.52	803.50
Margin for credit enhancement	52.95	434.76
Other deposits	111.03	-
Total	**1,400.50**	**1,238.26**

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Note 6: Derivative Financial Instruments

(₹ in crores)

Part I	As at March 31, 2023			As at March 31, 2022		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives						
- Spot and forwards	4,678.79	145.89	33.14	3,694.38	45.85	149.46
(ii) Interest rate derivatives						
- Forward rate agreements and Interest rate swaps	695.50	26.48	-	695.50	18.56	-
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**5,374.29**	**172.37**	**33.14**	**4,389.88**	**64.41**	**149.46**

(₹ in crores)

Part II	As at March 31, 2023			As at March 31, 2022		
	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) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging						
- Currency derivatives	4,678.79	145.89	33.14	3,694.38	45.85	149.46
- Interest rate derivative	695.50	26.48	-	695.50	18.56	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**5,374.29**	**172.37**	**33.14**	**4,389.88**	**64.41**	**149.46**

Credit Risk and Currency Risk

(₹ in crores)

Particulars	Total		Exchange Traded		Over the Counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
Year ended March 31, 2023						
Derivative Asset	2,157.03	172.37	-	-	2,157.03	172.37
Derivative Liabilities	3,217.26	33.14	-	-	3,217.26	33.14
Year ended March 31, 2022						
Derivative Asset	1,382.50	64.41	-	-	1,382.50	64.41
Derivative Liabilities	3,007.38	149.46	-	-	3,007.38	149.46

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6.1 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.

6.1.1 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 interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark plus Margin. The Company has hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' interest rate swap.

The Company uses Cross Currency Swap Contracts and Forward Exchange Contracts to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans. 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 of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognised directly in the "Cash Flow Hedge Reserve" under Other Comprehensive Income and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/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/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	5,374.29	4,389.88
Carrying amount	139.23	(85.05)
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 (Profit/ (Loss))	-	-

(₹ in crores)

Impact of hedging item	As at March 31, 2023	As at March 31, 2022
Change in fair value (Profit/ (Loss))	-	-
Cash flow hedge reserve (Profit/ (Loss))	0.10	-
Cost of hedging	-	-

(₹ in crores)

Effect of Cash flow hedge	As at March 31, 2023	As at March 31, 2022
Total hedging gain / (loss) recognised in OCI	22.16	(10.57)
Ineffectiveness recognised in profit/ (loss)	0.10	-

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Note 7. Receivables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade Receivables		
Receivables considered good - Secured	60.80	134.50
Receivables considered good - Unsecured *	4.88	6.04
Receivables - credit impaired	1.66	0.00
Total- Gross	**67.34**	**140.54**
Less: Impairment loss allowance	(0.83)	(0.00)
Total- Net	**66.51**	**140.54**
(ii) Other Receivables		
Receivables considered good - Unsecured	151.96	15.80

* Including receivables from Group/Subsidiaries Company (refer note 41.2)

Note 7.1 Trade Receivables Ageing Schedule (Gross)

(₹ in crores)

Particulars	As at March 31, 2023					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	65.55	0.03	0.09	-	-	**65.68**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	1.66	-	-	**1.66**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**65.55**	**0.03**	**1.75**	-	-	**67.34**

(₹ in crores)

Particulars	As at March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	140.41	0.11	0.02	-	-	**140.54**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	0.00	-	**0.00**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**140.41**	**0.11**	**0.02**	**0.00**	-	**140.54**

Notes:

1. No trade or other receivables are due from directors or other officer of the company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships in which any director is a partner or a director or a member.

2. The Company has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.

3. Trade receivables are non-interest bearing.

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Note 8. Loans

(₹ in crores)

Particulars	As at March 31, 2023		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	8,715.37	4,129.91	12,845.28
(ii) Non Convertible Debentures - for financing real estate projects	1,202.46	-	1,202.46
(iii) Inter corporate deposit	-	-	-
(iv) Related parties	0.14	-	0.14
(v) Others (Dues from Customers etc)	1,006.66	-	1,006.66
Total (A) - Gross	**10,924.63**	**4,129.91**	**15,054.54**
Less: Impairment loss allowance (including Stage 3 ECL on Principal 91.64 crore and Stage 3 Interest 21.17 crore)	(470.07)	(35.13)	(505.20)
Total (A) - Net	**10,454.56**	**4,094.78**	**14,549.34**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	8,429.76	3,882.62	12,312.38
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	48.06	-	48.06
(iv) Unsecured	2,446.81	247.29	2,694.10
Total (B) - Gross	**10,924.63**	**4,129.91**	**15,054.54**
Less: Impairment loss allowance	(470.07)	(35.13)	(505.20)
Total (B) - Net	**10,454.56**	**4,094.78**	**14,549.34**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	10,924.63	4,129.91	15,054.54
Total (C) (I) - Gross	**10,924.63**	**4,129.91**	**15,054.54**
Less: Impairment loss allowance	(470.07)	(35.13)	(505.20)
Total (C) (I) - Net	**10,454.56**	**4,094.78**	**14,549.34**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**10,454.56**	**4,094.78**	**14,549.34**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

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CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

(₹ in crores)

Particulars	As at March 31, 2022		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	8,108.28	2,799.74	10,908.02
(ii) Non Convertible Debentures - for financing real estate projects	1,716.84	-	1,716.84
(iii) Inter corporate deposit	-	-	-
(iv) Related parties	0.20	-	0.20
(v) Others (Dues from Customers etc)	854.31	-	854.31
Total (A) - Gross	**10,679.63**	**2,799.74**	**13,479.37**
Less: Impairment loss allowance (including Stage 3 ECL on Principal 160.15 crores and Stage 3 Interest 39.76 crores)	(572.64)	(22.68)	(595.32)
Total (A) - Net	**10,106.99**	**2,777.06**	**12,884.05**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	8,576.22	2,799.74	11,375.96
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	102.51	-	102.51
(iv) Unsecured	2,000.90	-	2,000.90
Total (B) - Gross	**10,679.63**	**2,799.74**	**13,479.37**
Less: Impairment loss allowance	(572.64)	(22.68)	(595.32)
Total (B) - Net	**10,106.99**	**2,777.06**	**12,884.05**
(C)			-
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	10,679.63	2,799.74	13,479.37
Total (C) (I) - Gross	**10,679.63**	**2,799.74**	**13,479.37**
Less: Impairment loss allowance	(572.64)	(22.68)	(595.32)
Total (C) (I) - Net	**10,106.99**	**2,777.06**	**12,884.05**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**10,106.99**	**2,777.06**	**12,884.05**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 218.77 crores (P.Y ₹ 200.32 crores) in respect of which the creation of security is under process.

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

Note 9. Investments

(₹ in crores)

Particulars	As at March 31, 2023		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	971.24	-	971.24
Security receipts	1,049.24	-	1,049.24
Government Securities	5.04	-	5.04
Bonds	138.09	-	138.09
Preference Shares	38.17	-	38.17
Equity instruments:			
in subsidiaries	-	1,907.81	1,907.81
Total (A) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (A) - Net	**1,871.88**	**1,907.81**	**3,779.69**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	2,201.78	1,907.81	4,109.59
Total (B) - Gross	**2,201.78**	**1,907.81**	**4,109.59**
Less: Impairment loss allowance	(329.90)	-	(329.90)
Total (B) - Net	**1,871.88**	**1,907.81**	**3,779.69**

(₹ in crores)

Particulars	As at March 31, 2022		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	0.00	-	0.00
Alternate investment funds	955.22	-	955.22
Security receipts	445.39	-	445.39
Equity instruments:			
in subsidiaries	-	1,410.33	1,410.33
in others	-	-	-
Total (A) - Gross	**1,400.61**	**1,410.33**	**2,810.94**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total (A) - Net	**1,038.52**	**1,410.33**	**2,448.85**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	1,400.61	1,410.33	2,810.94
Total (B) - Gross	**1,400.61**	**1,410.33**	**2,810.94**
Less: Impairment loss allowance	(362.09)	-	(362.09)
Total (B) - Net	**1,038.52**	**1,410.33**	**2,448.85**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

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Note 9.1 Investment details script wise

Particulars	As at March 31, 2023			As at March 31, 2022		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in crores)
Mutual funds			**0.00**			**0.00**
Nippon India Mutual Fund ETF Liquid Bees	36.71	1,000.00	0.00	35.20	1,000.00	0.00
Alternate investment fund			**971.24**			**955.22**
Phi Capital Growth Fund-I	339.12	1,00,000.00	8.59	306.78	1,00,000.00	10.06
Indiareit Apartment Fund - Class B	11.29	1,00,000.00	0.08	20.01	1,00,000.00	0.24
IIFL One Value Fund Series B - Class B	47,45,23,611.28	10.00	504.77	47,45,23,611.28	10.00	489.50
IIFL One Value Fund Series B - Class C	36,34,64,973.29	10.00	436.88	41,59,40,426.88	10.00	445.94
Faering Capital Growth Fund III	15,500.00	1,000.00	1.40	15,500.00	1,000.00	1.50
IIFL Securities Capital Enhancer Fund - Class S	1,34,18,161.87	10.00	15.45	39,99,800.01	10.00	4.03
IIFL Securities Capital Enhancer Fund - Class E	1,999.90	10.00	0.00	1,999.90	10.03	0.00
IIFL One Opportunities FoF - Series 1	30,95,601.13	10.00	4.07	30,65,261.70	10.00	3.95
Security receipts			**1,049.24**			**445.39**
ACRE - 110 - Trust (Tranche I)	38,25,000.00	895.48	325.40	38,25,000.00	951.75	362.09
ACRE-110-Trust (Tranche II)	53,97,500.00	952.52	488.42	-	-	-
Arcil-SBPS-049-I- Trust	8,33,000.00	275.20	22.92	8,33,000.00	1,000.00	83.30
Phoenix Trust-FY23-20	21,25,000.00	1,000.00	212.50	-	-	-
Government securities			**5.04**			-
07.38 % GOVT. 50,000,000.00 Stock 2027	5,00,000.00	100	5.04	-	-	-
Bonds			**138.09**			-
Andhra Pradesh State Beverages Corporation Limited	200.00	2,50,000.00	5.00	-	-	-
Andhra Pradesh State Beverages Corporation Limited	1,331.00	10,00,000.00	133.09	-	-	-
Preference Shares			**38.17**			-
Open Financial Technologies Private Limited	201.00	100.00	38.17	-	-	-
Equity instruments (in subsidiaries)			**1,907.81**			**1,410.33**
IIFL Home Finance Limited	2,09,68,181.00	10.00	825.48	2,09,68,181.00	10.00	825.48
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	59,07,16,057.00	10.00	1,043.93	37,07,40,413.00	10.00	584.85
IIFL Open Fintech Private Limited	85,91,397.00	10.00	38.40	-	-	-
Total Gross			**4,109.59**			**2,810.94**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Note 10. Other Financial Assets (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security deposits	35.39	31.85
Deposit with Exchange	0.25	0.25
Interest strip asset on assignment	803.87	455.81
Staff advances	0.17	0.05
Insurance receivable	47.30	44.66
Less: Provision on insurance receivable (refer note 10.1)	(30.21)	(22.01)
Other receivables	3.46	2.64
Accrued interest on investments	1.23	-
Other advances	5.56	5.57
(Unsecured, considered doubtful)		
Security deposits	0.06	0.32
Less : Provision on security deposits (refer note 10.2)	(0.06)	(0.32)
Total	**867.02**	**518.82**

Note 10.1 Provision on Insurance Receivable: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	**22.01**	**12.93**
Addition	9.79	16.22
Reduction	(1.59)	(7.14)
Closing	**30.21**	**22.01**

Note 10.2 Provision on Security Deposits: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	**0.32**	**0.28**
Addition	0.28	0.74
Reduction	(0.54)	(0.70)
Closing	**0.06**	**0.32**

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities:

(₹ in crores)

Particulars	Opening balance (as on April 01, 2022)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2023)
Deferred tax assets				
Property, plant and equipment	25.18	3.65	-	28.83
Provisions, allowances for doubtful receivables / loans	143.26	(17.51)	-	125.75
Compensated absences and retirement benefits	2.82	0.92	0.45	4.19
Deduction for provision for doubtful debts	5.57	-	-	5.57
Income amortisation (net)	(112.53)	(81.21)	-	(193.74)
Expenses deductible in future years	0.49	-	-	0.49
Carry-forward losses on investments	(15.17)	(14.53)	-	(29.70)
MTM on investment and derivative financial instruments	90.35	(9.41)	-	80.94
Cash flow hedge reserve	10.89	-	(7.45)	3.44
Leases- Ind AS 116	7.64	(1.61)	-	6.03
Total	**158.50**	**(119.70)**	**(7.00)**	**31.80**

(₹ in crores)

Particulars	Opening balance (as on April 01, 2021)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2022)
Deferred tax assets				
Property, plant and equipment	22.42	2.76	-	25.18
Provisions, allowances for doubtful receivables / loans	199.69	(56.43)	-	143.26
Compensated absences and retirement benefits	3.24	(0.18)	(0.24)	2.82
Deduction for Provision for Doubtful debts	-	5.57	-	5.57
Income amortisation (net)	(32.94)	(79.59)	-	(112.53)
Expenses deductible in future years	0.61	(0.12)	-	0.49
Carry-forward losses on investments	-	(15.17)	-	(15.17)
MTM on investment and derivative financial instruments	(0.54)	90.89	-	90.35
Cash flow hedge reserve	7.33	-	3.56	10.89
Leases- Ind AS 116	6.55	1.09	-	7.64
Total	**206.36**	**(51.18)**	**3.32**	**158.50**

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI

CHHAJED & DOSHI CHARTERED ACCOUNTANTS MUMBAI 400 069.

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Note 12. Investment Property (At Cost)

(₹ in crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2022	**155.55**	**138.15**	**293.70**
Additions during the year	-	-	-
Deductions/ adjustments during the year	-	-	-
As at March 31, 2023	**155.55**	**138.15**	**293.70**
Less : Impairment loss allowance	-	-	-
Net carrying value as at March 31, 2023	**155.55**	**138.15**	**293.70**
"Fair value as on March 31, 2023 (Fair value hierarchy : Level 3)"	192.15	150.65	342.80

*Distress value of above flats is ₹ 158.23 crores.

(₹ in crores)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2021	**155.55**	**112.18**	**267.73**
Additions during the year	-	25.97	**25.97**
Deductions/ adjustments during the year	-	-	-
As at March 31, 2022	**155.55**	**138.15**	**293.70**
Less : Impairment loss allowance	-	(5.19)	(5.19)
Net carrying value as at March 31, 2022	**155.55**	**132.96**	**288.51**
"Fair value as on March 31, 2022 (Fair value hierarchy : Level 3)"	175.94	132.96	308.90

*Distress value of above flats is ₹ 157.90 crores.

Note 12.1: Management had acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

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Note 13. Property, Plant and Equipment

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Building	Plant & Equipment	Computer	Total
Cost as at April 1, 2022	**126.29**	**1.15**	**24.20**	**24.56**	**39.82**	**39.38**	**255.40**
Additions during the year	35.57	-	6.58	-	12.41	11.45	**66.01**
Deductions/ adjustments	(2.25)	-	(0.10)	-	(1.15)	(2.11)	**(5.61)**
As at March 31, 2023	**159.61**	**1.15**	**30.68**	**24.56**	**51.08**	**48.72**	**315.80**
Depreciation							
As at April 1, 2022	56.76	1.14	7.80	7.06	21.00	26.82	**120.58**
Depreciation for the year	27.41	0.01	4.97	1.47	9.57	7.96	**51.39**
Deductions/ adjustments	(1.89)	-	(0.09)	(0.05)	(0.92)	(1.01)	**(3.96)**
Up to March 31, 2023	**82.28**	**1.15**	**12.68**	**8.48**	**29.65**	**33.77**	**168.01**
Net block as at March 31, 2023	**77.33**	**(0.00)**	**18.00**	**16.08**	**21.43**	**14.95**	**147.79**

(₹ in crores)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Building	Plant & Equipment	Computer	Total
Cost as at April 1, 2021	**80.81**	**1.15**	**7.57**	**35.93**	**27.47**	**28.41**	**181.34**
Additions during the year	47.12	-	16.77	-	13.29	14.90	**92.08**
Deductions/ adjustments	(1.64)	-	(0.14)	(11.37)	(0.94)	(3.93)	**(18.02)**
As at March 31, 2022	**126.29**	**1.15**	**24.20**	**24.56**	**39.82**	**39.38**	**255.40**
Depreciation							
As at April 1, 2021	**36.51**	**0.94**	**4.61**	**8.46**	**13.56**	**21.72**	**85.80**
Depreciation for the year	21.53	0.20	3.31	2.12	8.16	8.11	**43.42**
Deductions/ adjustments	(1.28)	-	(0.12)	(3.52)	(0.72)	(3.01)	**(8.64)**
Up to March 31, 2022	**56.76**	**1.14**	**7.80**	**7.06**	**21.00**	**26.82**	**120.58**
Net block as at March 31, 2022	**69.53**	**0.01**	**16.40**	**17.50**	**18.82**	**12.56**	**134.82**

Note 14. Capital-Work-in Progress (CWIP)

Ageing schedule

(₹ 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	27.30	0.04	0.06	-	27.40
Projects temporarily suspended	-	-	-	-	-

(₹ in crores)

Particulars	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.14	0.50	-	-	5.64
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

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Note 15. Leases

As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2022	**297.01**	**0.24**	**297.25**
Addition during the year	124.03	-	124.03
Deduction/Adjustment	(21.43)	-	(21.43)
Depreciation during the year	(71.46)	(0.16)	(71.62)
Closing Balance as at March 31, 2023	**328.15**	**0.08**	**328.23**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2021	**278.95**	**0.44**	**279.39**
Addition during the year	86.12	-	86.12
Deduction/Adjustment	(6.03)	-	(6.03)
Depreciation during the year	(62.03)	(0.20)	(62.23)
Closing Balance as at March 31, 2022	**297.01**	**0.24**	**297.25**

b) Break up value of the Current and Non - Current Finance Lease Obligations:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	79.42	68.05
Non-current lease liabilities	272.80	259.57
Total	**352.22**	**327.62**

c) Movement in Finance Lease Obligations:

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2022	**327.35**	**0.27**	**327.62**
Addition during the year	121.96	-	121.96
Deduction/Adjustment	(24.46)	-	(24.46)
Finance cost accrued during the period	29.95	0.02	29.97
Payment of lease liabilities	(102.67)	(0.20)	(102.87)
Closing Balance as at March 31, 2023	**352.13**	**0.09**	**352.22**

(₹ in crores)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2021	**304.94**	**0.48**	**305.42**
Addition during the year	86.12	-	86.12
Deduction/Adjustment	(6.35)	-	(6.35)
Finance cost accrued during the period	28.53	0.04	28.57
Payment of lease liabilities	(85.89)	(0.25)	(86.14)
Closing Balance as at March 31, 2022	**327.35**	**0.27**	**327.62**

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d) Details regarding the contractual maturities of finance lease obligation on an undiscounted basis:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	103.11	91.72
One to two years	83.19	81.66
Two to five years	165.55	160.34
More than five years	101.13	84.44
Total	**452.98**	**418.16**

e) Rental expense recorded for short-term leases was ₹ 2.91 crore (P.Y ₹ 2.46 crore)

f) Amounts recognised in profit or loss

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	29.97	28.57
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.21	0.29
Depreciation for the year	71.62	62.23
Total	**101.80**	**91.09**

g) Amounts recognised in the statement of cash flows

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	102.87	86.14

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Note 16. Other Intangible Assets

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2022	7.98
Additions during the year	2.84
Deductions /Adjustments	-
As at March 31, 2023	10.82
Amortisation	
As at April 1, 2022	6.06
Amortisation during the year	1.81
Up to March 31, 2023	7.87
Net block as at March 31, 2023	2.95

(₹ in crores)

Particulars	Software
Cost or valuation as at April 1, 2021	6.21
Additions during the year	1.77
Deductions /Adjustments	-
As at March 31, 2022	7.98
Amortisations	
As at April 1, 2021	5.29
Amortisation during the year	0.77
Up to March 31, 2022	6.06
Net block as at March 31, 2022	1.92

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Note 17. Other Non-financial Assets

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Prepaid expenses	126.14	47.75
Receivable from securitisation trust	80.00	236.50
Advances for operational expenses*	41.31	41.07
Deposits with government	1.98	1.97
GST input	11.00	5.20
Advance towards gratuity (refer note 33.2)	-	1.08
Other assets	0.07	0.15
Total	**260.50**	**333.72**

* Includes foreign currency payments amounting to ₹ 9.25 crores (P.Y ₹ 9.07 crores)

Note 18. Assets Held For Sale

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale	7.85	7.84

Assets held for sale is towards a Company owned property (Building) which it intends to sell in the near future. The property is pending sale beyond one year due to approvals pending from the relevant government authorities.

Note 19. Payables

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(I)Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	25.92	16.61
Accrued salaries and benefits	1.49	2.32
Provision for expenses	94.38	61.39
Other trade payables *	11.59	5.85
Total (I)	**133.38**	**86.17**
(II)Other payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	-	9.91
Total (II)	-	**9.91**

* Including payable to Group /Subsidiaries Company (refer note 41.2)

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Note 19.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED Act:

(₹ in crores)

Particulars	2022-23	2021-22
(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 MSMED Act	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act. This has been relied upon by the auditors.

Note 19.2 Trade Payables Ageing Schedule

(₹ in crores)

Particulars As at March 31, 2023	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii)Others	94.38	38.44	0.55	0.00	0.01	133.38
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	94.38	38.44	0.55	0.00	0.01	133.38

(₹ in crores)

Particulars As at March 31, 2022	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii)Others	61.39	24.73	0.03	0.02	-	86.17
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	61.39	24.73	0.03	0.02	-	86.17

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Note 20. Debt Securities

(₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
(i) Non Convertible Debentures* (refer note 20.1) - Secured	5,033.29	4,948.36
Less : Unamortised debenture issue expenses	(10.75)	(26.66)
Less : Unexpired discount on NCD	(0.07)	(1.57)
(ii) Interest accrued but not due	171.62	185.16
Total (A)	**5,194.09**	**5,105.28**
Debt securities in India	2,882.99	2,584.55
Debt securities outside India	2,311.10	2,520.73
Total (B)	**5,194.09**	**5,105.28**

* The Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ Nil (As at March 31, 2022 ₹ 762.88 Crore (from September 07, 2022))

Note 20.1 - Terms of repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
Non Convertible Debentures (Secured)				
Fixed:		**4,662.53**		**4,615.37**
More than 5 years	8.33% - 9.45%	1,130.00	8.33 % -8.60%	570.00
3-5 Years	8.42% - 9.00%	596.99	8.42 % -8.75%	283.33
1-3 Years	8.50% -8.75%	276.93	8.00% - 11.03%	3,237.24
Less than 1 year	8.50% - 11.03%	2,658.60	8.00% - 9.85%	524.80
Floating:		**115.00**		-
More than 5 years	-	-	-	-
3-5 Years	-	-	-	-
1-3 Years	8.25%	115.00	-	-
Less than 1 year	-	-	-	-
Zero Coupon:		**255.77**		**332.99**
3-5 Years	8.75%	27.19	8.75%	29.31
1-3 Years	8.00% -8.50%	157.27	8.00% - 8.50%	228.74
Less than 1 year	8.25%	71.30	9.50% - 9.85%	74.94
TOTAL		5,033.29		4,948.36

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Note 20.2 - Non Convertible Debentures - Secured - Instrument Wise Details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03%	2,251.39	2,453.40
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of maturity 08/05/2023	9.00%	100.00	-
9.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5. Date Of Maturity 08/05/2023	9.00%	-	100.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	307.21	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	71.30	71.43
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	-	307.53
9.75% Secured Rated Listed Redeemable Non Convertible Debentures. Series III. Maturity Date - 07/02/2024	9.75%	-	170.42
10.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series IV. Maturity Date - 07/02/2024	10.20%	-	111.80
G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024	8.50%	26.00	-
Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024	8.25%	115.00	-
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	100.00	100.00
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	93.88	94.08
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	57.27	57.31
8.5% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025	8.50%	45.63	-
Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025	8.50%	30.07	-
Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026	8.75%	24.13	-
8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026	8.75%	57.21	-
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	146.22	147.25
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	135.72	136.08
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	27.19	29.31
9% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028	9.00%	118.93	-
Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028	9.00%	37.86	-
8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028	8.65%	158.27	-
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	500.00	500.00
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	10.00	10.00
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	60.00	60.00
9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032	9.00%	10.00	-
9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032	9.45%	550.00	-
9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.50%	-	260.50
9.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.60%	-	36.69
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series II - Category II,III & IV. Maturity Date - 07/05/2022	9.60%	-	42.24
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series D10. Date Of Maturity 17/05/2022	8.00%	-	100.00
8.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D11. Date Of Maturity 26/05/2022	8.00%	-	25.00
Market Linked Secured Rated Listed Redeemable Non-Convertible Debentures. Series D3 Option II. Date Of Maturity 27/09/2022	9.50%	-	21.93
9.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series II. Date Of Maturity 06/12/2022	9.50%	-	33.17
Zero coupon Secured Rated Listed Redeemable Non-Convertible Debentures. Series III. Date Of Maturity 06/12/2022	9.85%	-	10.77
9.85% Secured Rated Listed Redeemable Non-Convertible Debentures. Series IV. Date Of Maturity 06/12/2022	9.85%	-	64.44
9.85% Secured Rated Listed Redeemable Non Convertible Debenture Series D4. Date Of Maturity 17/01/2023	9.85%	-	5.00
TOTAL		5,033.29	4,948.36

* Includes hedging cost

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Note 21. Borrowings (Other than Debt securities) (₹ in crores)

Particulars	At Amortised Cost As at March 31, 2023	As at March 31, 2022
(A)		
(a) Term loan (refer note 21.1)		
(i) From banks and financial institution (refer note (a) and (b))	8,148.15	6,731.36
(ii) From others (refer note (c))	1,232.55	757.93
Less : Prepaid expenses	(48.11)	(29.01)
(b) Other loans (refer note 21.2)		
(i) Cash credit/ overdraft (refer note (a))	620.75	320.09
(ii) Securitisation liability	564.26	1,989.22
Less : Prepaid expenses	(4.16)	(11.79)
(c) Interest accrued but not due	13.46	13.28
Total (A)	**10,526.89**	**9,771.07**
(B)		
Borrowings in India	8,066.03	8,632.64
Borrowings outside India (refer note (b),('c),(d))	2,460.86	1,138.42
Total (B)	**10,526.89**	**9,771.07**

Notes:

(a) These loans are secured by way of a 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.

(b) During the year FY 2022-23 the Company had borrowed 395.28 crore (equivalent to USD 50 million) under External commercial borrowing. These are secured by way of first ranking pari passu charge by way of hypothecation on all borrower's charged asset in favour of the security trustee and specity exclusive charge.

(c) During the year FY 2022-23 the Company had also borrowed 822.00 crore (equivalent to USD 100 million) under External commercial borrowing. These are secured by way of first ranking pari passu against all reivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/recevables pertaining to capital market exposure and securitised asset.

(d) During the year ended March 31, 2022, the Company borrowed ₹ 379.25 crore (equivalent to USD 50 million) through the External Commercial Borrowings towards refinancing of existing outstanding Medium Term Notes. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio.

Note 21. 1 - Terms of Repayment of Term Loans

Residual Maturity	As at March 31, 2023 Rate of Interest/ Yield	Amount (₹ in crores)	As at March 31, 2022 Rate of Interest/ Yield	Amount (₹ in crores)
(i) From Banks and Financial Institution				
Floating:*		**5,080.16**		**4,911.36**
3 - 5 Years	8.00% - 9.75%	768.39	7.95% - 9.00%	588.05
1 - 3 Years	8.00 % - 9.90%	2,425.14	7.70% - 9.80%	2,679.61
Less than 1 year	8.00% - 10.20%	1,886.64	7.70% - 9.80%	1,643.70
Fixed:		**3,067.98**		**1,820.00**
3 - 5 Years	9.70%	263.35	8.45% - 9.75%	357.79
1 - 3 Years	8.45% - 9.70%	1,395.73	8.00% - 9.75%	981.88
Less than 1 year	8.00% - 9.75%	1,408.90	8.00% - 9.75%	480.33
(ii) From Others				
Fixed:**		**1,232.55**		**757.93**
1 - 3 Years	8.62%	1,232.55	8.62%	757.93
Total		**9,380.70**		**7,489.29**

* The rate of interest for the above term loans from banks is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 21. 2 - Terms of Repayment of Other Loans

Residual Maturity	As at March 31, 2023 Rate of Interest/ Yield	Amount (₹ in crores)	As at March 31, 2022 Rate of Interest/ Yield	Amount (₹ in crores)
Floating:				
Cash credit/ overdraft : Less than 1 year ***	6.00% - 9.75%	620.75	7.60% - 8.45%	320.09
Securitisation liability				
Fixed:		**564.26**		**1,989.22**
1-3 Years	-	-	7.25% - 7.95%	1,945.25
Less than 1 year	7.72%	564.26	9.75% - 10.00%	43.97
Total		**1,185.01**		**2,309.31**

***The rate of interest for the above loan is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

MUMBAI

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Note 22. Subordinated Liabilities

(₹ in crores)

Particulars	At Amortised Cost	
	As at March 31, 2023	As at March 31, 2022
(A)		
(i) Non Convertible Debentures- Unsecured (refer note 22.1)	1,586.17	1,326.78
Less: Unamortised debenture issue expenses	(18.20)	(22.04)
(ii) Interest accrued but not due	91.54	64.90
Total (A)	**1,659.51**	**1,369.64**
(B)		
Subordinated liabilities in India	1,312.20	1,022.55
Subordinated liabilities outside India	347.31	347.09
Total (B)	**1,659.51**	**1,369.64**

Non Convertible Debentures – Includes redeemable non convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024)(As at March 31, 2022 ₹ 50.00 Crore (from May 28, 2024), ₹ 30.77 Crore (from August 07, 2024) and ₹ 15.45 Crore (from August 07, 2024))

Note 22. 1 - Terms of Repayment

Residual Maturity	As at March 31, 2023		As at March 31, 2022	
	Rate of Interest / Yield	Amount (₹ in crores)	Rate of Interest / Yield	Amount (₹ in crores)
Non Convertible Debenture (Unsecured)				
Fixed		**1,462.24**		**1,202.85**
More than 5 years	9.00% - 10.50%	1,326.31	8.70% - 10.50%	1,123.92
3- 5 Years	8.70%	100.00	10.00%	25.93
1-3 Years	10.00%	25.93	12.10%	10.00
Less than 1 year	12.10%	10.00	12.15% -12.20%	43.00
Zero Coupon		**123.93**		**123.93**
More than 5 years	9.35% -10.03%	118.15	9.35% - 10.03%	118.15
3- 5 Years	-	-	10.50%	5.78
1-3 Years	10.50%	5.78	-	-
Total		**1,586.17**		**1,326.78**

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Note 22.2 - Non Convertible Debentures - Unsecured - Instrument Wise Details

(₹ in crores)

Description of security	Coupon/ Yield	As at March 31, 2023	As at March 31, 2022
12.10% Unsecured Redeemable Non Convertible Debentures. Date Of Maturity 24/05/2023	12.10%	10.00	10.00
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity 06/06/2025.	10.00%	25.93	25.93
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	10.50%	5.78	5.78
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity 19/11/2027	8.70%	100.00	100.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity 24/06/2028	10.00%	274.69	274.69
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity 24/06/2028	9.60%	328.02	328.02
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity 24/06/2028	10.03%	68.14	68.14
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	325.00	325.00
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	50.00	50.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	10.00%	30.77	30.77
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 26/02/2029	10.50%	15.45	15.45
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity 24/03/2032	9.35%	50.00	50.00
9.65% Unsecured Rated Listed Subordinate Tier II Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032	9.65%	236.70	-
9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032	9.45%	65.69	-
12.15% Unsecured Redeemable Non-Convertible Debenture. Date Of Maturity 30/08/2022	12.15%	-	20.00
12.20% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date Of Maturity 04/11/2022	12.20%	-	23.00
TOTAL		1,586.17	1,326.78

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Note 23. Other Financial Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable on account of assignment/securitisation	842.62	1,747.55
Temporary overdrawn bank balances	8.84	0.38
Payables towards NCD	2.26	2.22
Unpaid dividends	0.46	0.52
Other payables (refer note 23.1)	40.15	34.06
Total	**894.33**	**1,784.73**

Note 23.1 During the year, ₹ 0.26 crores (P.Y ₹ 0.41 crores) was transferred to Investor Education and Protection Fund.

Note 24. Provisions

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	38.57	22.82
Provision for leave encashment	11.04	9.56
Provision for gratuity (refer note 33.2)	1.43	-
ECL provision on sanctioned undisbursed loans	0.22	9.00
Total	**51.26**	**41.38**

Note 25. Other Non-Financial Liabilities

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Income received in advance	0.04	0.04
Advances from customers	70.49	26.72
Statutory remittances	22.45	19.14
Total	**92.98**	**45.90**

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Note 26: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
2,355,250,000 Equity Shares (P.Y 2,355,250,000) of ₹ 2 each	471.05	471.05
500,000,000 Preference Shares (P.Y 500,000,000) of ₹ 10 each	500.00	500.00
Total	**971.05**	**971.05**
Issued, Subscribed and Paid-up Share Capital		
380,430,389 Equity Shares (P.Y 379,598,711) of ₹ 2 each fully paid with voting rights	76.09	75.92
Total	**76.09**	**75.92**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	in crores	No. of Shares	in crores
Equity Shares				
At the beginning of the year	37,95,98,711	75.92	37,88,40,676	75.77
Add: Shares issued during the year	8,31,678	0.17	7,58,035	0.15
Outstanding at the end of the year	**38,04,30,389**	**76.09**	**37,95,98,711**	**75.92**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2023, equity shareholders were paid an interim dividend of ₹ 4.00/- (P.Y ₹ 3.50/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	8,46,41,445	22.25%	8,46,41,445	22.30%
CDC Group PLC	-	-	2,95,01,587	7.77%
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	4,77,19,154	12.57%
Smallcap World Fund, Inc	2,82,78,861	7.43%	1,96,71,937	5.18%
Parajia Bharat Himatlal	1,97,20,000	5.18%	2,03,88,602	5.37%

(v) Details of Shareholding of Promoters

As at March 31, 2023 Name of the promoter	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	4,77,19,154	12.54%	-0.03%
Madhu N Jain	1,20,75,000	3.17%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	0.00%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.63%	0.00%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	0.00%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.85%**	

* The change in percentage is due to dilution of Share Capital.

As at March 31, 2022 Name of the promoter	No. of Shares	% of total shares	% Change during the year
Nirmal Bhanwarlal Jain	4,77,19,154	12.57%	-0.03%
Madhu N Jain	1,20,75,000	3.18%	-0.01%
Venkataraman Rajamani	1,09,84,432	2.89%	-0.01%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	1,00,00,000	2.63%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	90,00,000	2.37%	-0.01%
Aditi Athavankar	2,00,000	0.05%	0.00%
Ardent Impex Pvt Ltd	32,68,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	13,00,000	0.34%	0.00%
Total	**9,45,47,490**	**24.91%**	

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 39 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

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Note 26.1: Other Equity

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Share Application Money	-	-
Capital Reserve	83.89	83.89
Securities Premium Reserve		
Opening Balance	1,845.03	1,840.16
Add: Share issue expenses	-	(8.34)
Add: Addition during the year	10.97	8.45
Add/(Less): Transfer to/ (from) reserves	6.07	4.76
Closing Balance	**1,862.06**	**1,845.03**
General Reserve		
Opening Balance	509.35	509.29
Add/(Less): Transfer to/ (from) reserves	1.09	0.06
Closing Balance	**510.44**	**509.35**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening Balance	789.42	594.19
Add/(Less): Transfer to/ (from) reserves	161.11	195.23
Closing Balance	**950.53**	**789.42**
Capital Redemption Reserve	**230.11**	**230.11**
Debenture Redemption Reserve	**12.80**	**12.80**
Retained Earnings		
Opening Balance	898.60	481.17
Add: Profit for the year	805.49	745.48
Less: Interim dividend	(152.09)	(132.82)
Add/(Less): Transfer to/ (from) reserves	(161.11)	(195.23)
Closing Balance	**1,390.89**	**898.60**
Stock Compensation Reserve		
Opening Balance	14.18	15.91
Add: Addition during the year	2.65	3.10
Add/(Less): Transfer to/ (from) reserves	(7.16)	(4.82)
Closing Balance	**9.67**	**14.18**
Effective portion of Cash Flow Hedges		
Opening Balance	(32.35)	(21.78)
Add: Other comprehensive income/ (loss)	22.16	(10.57)
Closing Balance	**(10.19)**	**(32.35)**
Remeasurements of defined benefit		
Opening Balance	(0.05)	(0.77)
Add: Other comprehensive income/ (loss)	(1.34)	0.72
Closing Balance	**(1.39)**	**(0.05)**
Total	**5,038.82**	**4,350.98**

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Note 27.1 Interest Income

(₹ in crores)

Particulars	FY 2022-23				FY 2021-22			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	2,789.77	-	563.48	3,353.25	2,960.57	-	473.45	3,434.01
Interest on investments	-	32.37	-	32.37	-	8.25	-	8.25
Interest on deposits with banks	80.94	-	-	80.94	60.18	-	-	60.18
Interest on inter corporate deposit	1.86	-	-	1.86	-	-	-	-
Total	**2,872.57**	**32.37**	**563.48**	**3,468.42**	**3,020.75**	**8.25**	**473.45**	**3,502.45**

Note 27.2 Dividend Income

The Company received dividend income amounting to ₹ 87.58 crore (P.Y ₹ 62.91 crore). Dividend received from subsidiary companies ₹ 87.58 crore (P.Y ₹ 62.91 crore)

Note 28. Net Gain/ (Loss) on Fair Value Changes

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	91.82	150.74
Total net gain/(loss) on fair value changes	**91.82**	**150.74**
Fair value changes		
- Realised	29.74	72.16
- Unrealised	62.08	78.58
Total net gain/(loss) on fair value changes	**91.82**	**150.74**

Note 29. Other Income

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Interest on income tax refund	25.53	2.85
Profit on sale of fixed assets	3.08	0.36
Miscellaneous income	1.90	23.74
Total	**30.51**	**26.94**

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Note 30. Finance Costs

(₹ in crores)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2022-23	FY 2021-22
Interest on debt securities*	456.95	623.85
Interest on borrowings other than debt securities*	752.99	761.81
Interest on subordinated liabilites	144.00	140.89
Interest on inter corporate deposit	1.07	9.01
Interest expense on lease - INDAS 116	29.96	28.57
Other borrowing cost *	70.99	51.48
Total	**1,455.96**	**1,615.61**

* Includes foreign currency expenses incurred amounting to ₹ 403.18 crore (P.Y ₹ 251.54 crore)

Note 31. Net (Gain)/ Loss on Derecognition of Financial Instruments under Amortised Cost Category

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
(i) Net gain on derecognition of financial instruments under amortised cost category		
Interest strip on assignment of loans	(348.06)	(313.41)
(ii) Net loss on derecognition of financial instruments under amortised cost category		
Bad debts written off (net)	355.15	723.83
Total	**7.09**	**410.42**

Note 32. Impairment on Financial Instruments

(₹ in crores)

Particulars	FY 2022-23			FY 2021-22		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(67.85)	(12.46)	(80.31)	(215.17)	(0.79)	(215.96)
Other financial assets	10.69	-	10.69	9.03	-	9.03
Total	**(57.16)**	**(12.46)**	**(69.62)**	**(206.14)**	**(0.79)**	**(206.93)**

Note 33. Employee Benefit Expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Salaries	602.65	463.85
Contribution to provident and other funds (refer note 33.1)	35.26	30.19
Leave encashment	4.83	3.44
Gratuity (refer note 33.2)	3.92	3.29
Staff welfare expenses*	23.58	17.18
Share based payments	2.14	1.95
Total	**672.38**	**519.90**

* Includes foreign currency expenses incurred amounting to Nil (P.Y 0.01 crore)

33.1 Defined contribution plans

The Company has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Contribution to Provident fund	13.25	10.91
Contribution to Employee State Insurance Corporation	3.68	3.52
Contribution to Labour welfare fund	0.09	0.08
Contribution to employee pension scheme	17.89	15.48
Contribution to National Pension Scheme	0.35	0.20
Total	**35.26**	**30.19**

33.2 Gratuity disclosure statement

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 period	01-Apr-22	01-Apr-21
Date of reporting	31-Mar-23	31-Mar-22
Period of reporting	12 Months	12 Months

Assumptions (current year)		
Expected return on plan assets	7.44%	6.96%
Rate of discounting	7.44%	6.96%
Rate of salary increase	6.00%	6.00%
Rate of employee turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Mortality rate after employment	N.A.	N.A.

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(₹ in crores)

Table showing change in the present value of projected benefit obligation	FY 2022-23	FY 2021-22
Present value of benefit obligation at the beginning of the year	16.71	15.73
Interest cost	1.16	1.01
Current service cost	3.97	3.31
Past service cost	-	-
Liability transferred in/ acquisitions	0.07	0.20
(Liability transferred out/ divestments)	(0.11)	(0.24)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	(0.00)
(Benefit paid from the fund)	(2.77)	(2.31)
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	(0.01)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.42)	(1.46)
Actuarial (gains)/losses on obligations - due to experience	2.88	0.48
Present value of benefit obligation at the end of the year	20.49	16.71

(₹ in crores)

Table showing change in the Fair Value of Plan Assets	FY 2022-23	FY 2021-22
Fair value of plan assets at the beginning of the year	17.78	15.97
Interest income	1.24	1.03
Contributions by the employer	3.14	3.13
Expected contributions by the employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets transferred out/ divestments)	-	-
(Benefit paid from the fund)	(2.77)	(2.31)
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	(0.32)	(0.03)
Fair value of plan assets at the end of the year	19.06	17.78

(₹ in crores)

Actual Return on Plan Assets	FY 2022-23	FY 2021-22
Interest Income	1.24	1.03
Return on Plan Assets, Excluding Interest Income	(0.32)	(0.03)
Actual Return on Plan Assets	0.92	1.00

(₹ in crores)

Amount recognised in the Balance Sheet	FY 2022-23	FY 2021-22
(Present value of benefit obligation at the end of the year)	(20.49)	(16.71)
Fair value of plan assets at the end of the year	19.06	17.78
Funded status (surplus/ (deficit))	(1.43)	1.07
Net (liability)/asset recognised in the Balance Sheet	(1.43)	1.07

(₹ in crores)

Net interest cost for current year	FY 2022-23	FY 2021-22
Present value of benefit obligation at the beginning of the year	16.71	15.73
(Fair value of plan assets at the beginning of the year)	(17.78)	(15.97)
Net liability/(asset) at the beginning	(1.07)	(0.23)
Interest cost	1.16	1.01
(Interest income)	(1.24)	(1.03)
Net interest cost for current year	(0.07)	(0.02)

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(₹ in crores)

Expenses recognised in the Statement of Profit or Loss for current year	FY 2022-23	FY 2021-22
Current service cost	3.97	3.31
Net interest cost	(0.07)	(0.02)
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognised	3.90	3.29

(₹ in crores)

Expenses recognised in OCI for current year	FY 2022-23	FY 2021-22
Actuarial (gains)/ losses on obligation for the year	1.47	(0.99)
Return on plan assets, excluding interest income	0.32	0.03
Change in asset ceiling	-	-
Net (income)/ expense for the year recognised in OCI	1.79	(0.96)

(₹ in crores)

Balance Sheet reconciliation	FY 2022-23	FY 2021-22
Opening net liability	(1.07)	(0.23)
Expenses recognised in Statement of Profit or Loss	3.90	3.29
Expenses recognised in OCI	1.79	(0.96)
Net liability/(asset) transfer in	0.07	0.20
Net (liability)/asset transfer out	(0.11)	(0.24)
(Benefit paid directly by the employer)	-	(0.00)
(Employer's contribution)	(3.14)	(3.13)
Net liability/(asset) recognised in the Balance Sheet	1.43	(1.07)

(₹ in crores)

Category of Assets	FY 2022-23	FY 2021-22
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	19.06	17.78
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**19.06**	**17.78**

(₹ in crores)

Expenses recognised in the Statement of Profit or Loss for next year	FY 2022-23	FY 2021-22
Current service cost	4.27	3.97
Net interest cost	0.11	(0.07)
(Expected contributions by the employees)	-	-
Expenses recognised	4.38	3.90

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(₹ in crores)

Maturity analysis of the benefit payments: From the Fund	FY 2022-23	FY 2021-22
Projected benefits payable in future years from the date of reporting		
1st following year	2.67	0.35
2nd following year	0.47	0.38
3rd following year	0.51	0.46
4th following year	0.56	0.48
5th following year	0.82	0.52
Sum of years 6 To 10	4.37	3.84
Sum of years 11 and above	64.24	56.95

(₹ in crores)

Sensitivity analysis	FY 2022-23	FY 2021-22
Defined Benefit Obligation on Current Assumptions	20.49	16.71
Delta effect of +1% change in rate of discounting	(2.66)	(2.39)
Delta effect of -1% change in rate of discounting	2.87	2.96
Delta effect of +1% change in rate of salary increase	3.10	2.82
Delta effect of -1% change in rate of salary increase	(2.55)	(2.33)
Delta effect of +1% change in rate of employee turnover	0.37	0.18
Delta effect of -1% change in rate of employee turnover	(0.46)	(0.24)

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 defined 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 defined 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.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

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Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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

Characteristics of defined benefit plans

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

A separate trust fund is created to manage the Gratuity plan.

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Note 34. Other Expenses

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Advertisement and marketing expenses*	62.39	40.86
Direct operating expenses	100.05	48.09
Bank charges	3.62	9.46
Commission to non whole-time directors	0.32	0.33
Communication costs	8.07	7.59
Electricity	18.03	12.23
Exchange and statutory charges	3.19	3.41
Legal & professional fees*	101.84	61.63
Directors sitting fees	1.11	0.54
Office expenses	11.16	12.68
Postage & courier	3.56	4.78
Printing & stationary	4.31	4.56
Rates & taxes	1.16	1.22
Rent	2.91	2.46
Repairs & maintenance		
- Computer	1.66	1.23
- Others*	13.16	12.88
Remuneration to auditors		
- Audit fees	0.55	0.45
- Certification / other services **	0.35	0.05
- Out of pocket expenses	0.04	0.01
Software charges*	19.03	22.61
Travelling & conveyance*	22.31	13.69
Corporate social responsibility expenses (refer note 42)	8.70	8.20
Miscellaneous expenses*	0.53	0.25
Insurance premium	14.46	20.23
Security expenses	104.82	90.95
Total	**507.33**	**380.39**

*Includes below expenses incurred in foreign currency on accrual basis

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Advertisement and marketing expenses	0.17	-
Travelling & conveyance	0.19	0.03
Repairs & Maintenance: Others	-	0.03
Miscellaneous expenses	0.03	-
Software charges	0.14	0.06
Legal & professional fees	1.14	1.39

** During the year the Company has paid ₹ 0.25 crore (P.Y ₹ 0.21 crore) to the auditors towards certification required for Public Issue of Non Convertible Debentures and the same has been amortised over the tenure of the borrowings.

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Note 35. Income Taxes

(₹ in crores)

Amounts recognised in statement of profit or loss	FY 2022-23	FY 2021-22
Current tax expense		
Current year	117.53	171.28
Changes in estimates related to prior years	-	(0.57)
Deferred tax expense		
Origination and reversal of temporary differences	119.70	51.18
Total	**237.23**	**221.89**

(₹ in crores)

Amounts recognised in other comprehensive income	FY 2022-23			FY 2021-22		
	Amount	Tax expense	Net of tax	Amount	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(1.79)	0.45	(1.34)	0.96	(0.24)	0.72
Cash flow hedge reserve	29.61	(7.45)	22.16	(14.13)	3.56	(10.58)
	27.83	**(7.00)**	**20.82**	**(13.17)**	**3.32**	**(9.86)**

(₹ in crores)

Reconciliation of income tax expense of the year to accounting year	FY 2022-23	FY 2021-22
Profit before tax	**1,042.72**	**967.37**
Tax using the Company's domestic tax rate (25.17%)	262.43	243.47
Tax effect of:		
Non-deductible expenses	2.77	2.35
Tax-exempt income- Others (includes deduction under section 80JJAA)	(5.81)	(4.60)
Tax-exempt income- Dividend	(22.04)	(15.83)
Income taxed at different rates	(0.82)	(4.08)
Adjustments for current tax for prior periods	-	(0.57)
differences	0.69	1.15
Total income tax expense	**237.23**	**221.89**
Effective tax rate	**22.75%**	**22.94%**

Note 36. Earnings Per Share

Basic and Diluted Earnings Per Share ("EPS") computed in accordance with INDAS 33 "Earnings per share"

Particulars		FY 2022-23	FY 2021-22
Face value of equity shares (in ₹) fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss (₹ in crores)		805.49	745.48
Profit after tax attributable to equity share holders (₹ in crores)	A	805.49	745.48
Weighted average number of equity shares outstanding	B	37,98,80,425	37,91,94,372
Basic EPS (In ₹)	**A/B**	**21.20**	**19.66**
DILUTED			
Weighted average number of equity shares for computation of basic EPS		37,98,80,425	37,91,94,372
Add: Potential equity shares on account conversion of Employees Stock Options		30,15,015	22,54,850
Weighted average number of equity shares for computation of diluted EPS	C	38,28,95,439	38,14,49,222
Diluted EPS (In ₹)	**A/C**	**21.04**	**19.54**

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Note 37. Risk Management

The Company's activities expose it to market risk, liquidity risk and credit 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. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross stage 3 assets and net stage 3 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. 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 Structure

The Company has established multi-level risk governance for monitoring and 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 Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line 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 and 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.

Risk Management Practices

The Company has developed the necessary competency to identify early stress signals and has also 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.

It has initiated a detailed 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 standardise credit underwriting and improve sourcing quality in the long run.

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 RMC at periodic intervals.

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 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.

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Note: 37A.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 loans, trade receivables, investments, derivative financial instruments, and other receivables.

Credit Quality Analysis

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

(₹ in crores)

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 using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	1,762.39	1,762.39
Bank balance other than above	-	-	-	1,407.07	1,407.07
Receivables					
(i) Trade receivables	-	-	0.83	66.51	67.34
(ii) Other receivables	-	-	-	151.96	151.96
Loans*	9,519.40	728.11	202.49	-	10,450.00
Investments**	-	-	-	1,907.81	1,907.81
Other financial assets	-	-	-	897.29	897.29

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

(₹ 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 using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	4,356.94	4,356.94
Bank Balance other than above	-	-	-	1,251.87	1,251.87
Receivables					
(i) Trade receivables	-	-	0.00	140.53	140.54
(ii) Other receivables	-	-	-	15.80	15.80
Loans*	9,240.59	781.68	406.21	-	10,428.48
Investments**	-	-	-	1,410.33	1,410.33
Other Financial assets	-	-	-	541.15	541.15

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Investments in subsidiaries carried at cost.

Financial Assets Measured Using Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, trade receivables, other receivables 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.

37A.2. Collateral Held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

37A.3. Loss Allowance and Exposure At Default

The following table shows movement of the loss allowance on loans and advances:

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-22	**300.60**	**51.64**	**48.64**	**3.52**	**160.15**	**39.76**	**509.40**	**94.92**
New loans disbursed during the year	164.50	11.30	5.91	1.41	37.53	7.33	207.94	20.04
Loans closed/ written off during the year	(126.37)	(31.70)	(35.68)	(2.84)	(149.00)	(35.04)	(311.05)	(69.58)
Movement in provision without change in asset staging	5.87	12.68	(3.46)	(0.15)	0.71	0.59	3.12	13.12
Movement in provision due to change in asset staging	(13.47)	(0.90)	0.88	0.21	42.25	8.53	29.66	7.84
Closing ECL Mar-23	**331.13**	**43.02**	**16.29**	**2.15**	**91.64**	**21.17**	**439.08**	**66.34**

(₹ in crores)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-21	354.51	59.91	107.03	50.36	208.71	56.09	670.25	166.36
New loans disbursed during the year	169.72	18.65	4.43	1.23	12.11	2.09	186.27	21.97
Loans closed/ written off during the year	(222.02)	(39.78)	(67.32)	(45.15)	(144.52)	(29.43)	(433.87)	(114.36)
Movement in provision without change in asset staging	14.86	15.23	19.49	1.03	(6.94)	2.49	27.42	18.75
Movement in provision due to change in asset staging	(16.47)	(2.37)	(14.99)	(3.95)	90.79	8.52	59.33	2.20
Closing ECL Mar-22	**300.60**	**51.64**	**48.64**	**3.52**	**160.15**	**39.76**	**509.40**	**94.92**

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The following table shows movement of the Exposure At Default ("EAD")

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2022	**11,511.13**	**1,287.06**	**747.50**	**56.98**	**366.44**	**39.75**	**12,625.07**	**1,383.79**
New loans disbursed during the year	10,061.98	189.98	420.56	26.02	94.01	7.33	10,576.54	223.34
Loans closed/ written off during the year	(6,930.03)	(456.40)	(553.19)	(26.66)	(344.74)	(35.04)	(7,827.96)	(518.11)
Movement in EAD without change in asset staging	(1,108.32)	(473.45)	(40.37)	(24.77)	(2.77)	0.59	(1,151.46)	(497.64)
Movement in EAD due to change in asset staging	(359.84)	(32.19)	117.15	4.91	68.38	8.53	(174.30)	(18.75)
Closing EAD Mar-2023	**13,174.92**	**515.00**	**691.64**	**36.48**	**181.32**	**21.16**	**14,047.88**	**572.63**

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2021	**11,947.97**	**1,344.59**	**2,340.33**	**188.84**	**351.95**	**56.09**	**14,640.25**	**1,589.52**
New loans disbursed during the year	8,664.33	829.75	278.12	15.22	45.84	2.09	8,988.29	847.06
Loans closed/written off during the year	(7,707.93)	(977.00)	(1,638.52)	(138.74)	(231.78)	(29.43)	(9,578.23)	(1,145.17)
Movement in EAD without change in asset staging	(1,069.34)	122.90	(27.43)	(1.70)	(6.91)	2.49	(1,103.68)	123.69
Movement in EAD due to change in asset staging	(323.90)	(33.18)	(205.00)	(6.64)	207.34	8.51	(321.56)	(31.31)
Closing EAD Mar-2022	**11,511.13**	**1,287.06**	**747.50**	**56.98**	**366.44**	**39.75**	**12,625.07**	**1,383.79**

37A.4. Write Off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is ₹ 355.15 crore (P.Y ₹ 723.83 crore)

37A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when 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/ loss based on discounted cash flow basis in the below table:

Particulars	FY 2022-23	FY 2021-22
Value of modified assets at the time of modification	534.05	1,886.36
Value of modified assets outstanding at end of year	528.39	1,881.56
Modification gain/ (loss)	(5.66)	(4.80)

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on December 29, 2022)

37A.6. Credit Risk Grading of Loans

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.

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 on a periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below:

Credit Grading Details (₹ in crores)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2023	13,689.93	728.11	202.49	14,620.53
March 31, 2022	12,798.20	804.48	406.20	14,008.87

37A.7. Concentration 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 various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

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37B 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 marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) framework with an appropriate 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 (including financial guarantee) 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
Derivative financial instruments	33.14	28.40	0.96	-	3.78	-	-
Trade payables	133.38	131.69	0.47	0.65	0.56	0.01	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation*	452.98	26.86	26.34	49.91	149.56	99.18	101.13
Debt securities	5,194.09	2,425.16	11.03	433.91	565.59	628.40	1,130.00
Borrowings (other than debt securities)	10,526.89	1,456.02	801.20	1,562.44	5,548.97	1,158.26	-
Subordinated liabilities	1,659.51	40.40	13.80	4.93	34.18	100.00	1,466.20
Other financial liabilities	894.33	883.24	0.21	7.41	3.47	-	-
Financial guarantee contracts	584.94	584.94	-	-	-	-	-
Total	**19,479.26**	**5,576.71**	**854.01**	**2,059.25**	**6,306.11**	**1,985.85**	**2,697.33**

* The amount represent undiscounted cash flows

(₹ in crores)

Contractual maturities of financial liabilities (including financial guarantee) 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	149.46	3.06	-	3.17	143.24		-
Trade payables	86.17	83.67	0.19	1.29	0.04	0.98	-
Other payables	9.91	9.91	-	-	-	-	-
Finance lease obligation*	418.16	23.22	22.92	45.58	139.28	102.72	84.44
Debt securities	5,105.28	606.43	28.45	139.47	3,447.11	313.82	570.00
Borrowings (other than debt securities)	9,771.07	578.53	626.64	1,770.25	5,884.02	911.64	-
Subordinated liabilities	1,369.64	30.64	21.43	28.20	10.00	33.40	1,245.97
Other financial liabilities	1,784.73	1,758.71	-	-	-	26.02	-
Financial guarantee contracts	845.50	845.50	-	-	-	-	-
Total	**19,539.92**	**3,939.65**	**699.63**	**1,987.96**	**9,623.68**	**1,388.59**	**1,900.41**

* The amount represent undiscounted cash flows

Note : Borrowings includes cash credit facilities which has been shown in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

(ii) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	719.65	1,452.25
- Expiring beyond one year (bank loans)	-	-

37C Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument.

37C.1 Interest Rate Risk

The exposure of the Company's borrowing and loans to interest rate changes at the end of the reporting period are as follows:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate borrowings	5,815.92	5,231.46
Fixed rate borrowings	11,369.26	10,842.28
Total borrowings	**17,185.18**	**16,073.74**

The Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	9.19%	5,815.92	33.84%	8.64%	5,231.46	32.55%
Net exposure to cash flow interest rate risk		**5,815.92**			**5,231.46**	

Sensitivity

(i) Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates (assuming other variables constant):

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Interest rates – increase by 50 basis points	(21.76)	(19.57)	-	-
Interest rates – decrease by 50 basis points	21.76	19.57	-	-

(ii) The Company does not have any outstanding variable rate loans given and hence there is no impact on Profit & loss account due to any such change.

37C.2. 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 primarily to the foreign currency borrowings taken from Financial Institutions, External Commercial Borrowings (ECB) and foreign bond markets.

(i) The Company has hedged its foreign currency exposure through Forwards/ Future 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).

As at March 31, 2023

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	172.37	-	-	-	-	-
Foreign currency liabilities (in INR)*	33.14	-	-	-	-	-
Net Assets/(Liabilities)	**139.23**	-	-	-	-	-

As at March 31, 2022

(₹ in crores)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	64.41	-	-	-	-	-
Foreign currency liabilities (in INR)*	149.46	-	-	-	-	-
Net Assets/(Liabilities)	**(85.05)**	-	-	-	-	-

* Fully hedged by forward contract, future contract and Cross Currency Interest Rate Swaps.

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(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in crores)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD sensitivity*				
INR/ USD - increase by 5%	-	-	(182.45)	(134.33)
INR/ USD - decrease by 5%	-	-	182.45	134.33

* Holding all other variables constant,the sensitivity on profit and loss is due to the timing differences of the maturity of the forward exchange contract. On the date of maturity of the forward exchange contract, the sensitivity of profit and loss to changes in the exchange rates will be nil.

37C.3. Price Risk

(i) Exposure

The Company's exposure to assets having price risk is as under (Net)

(₹ in crores)

Particulars	Equity Shares (Other than Subsidiary)	Preference share	Mutual Funds / Alternate investment funds/ Others	Bonds/ Govt. Securities	Security Receipts	Total
Market value as on March 31, 2023	-	38.17	971.24	143.13	719.33	**1,871.87**
Market value as on March 31, 2022	-	-	955.22	-	83.30	**1,038.52**

To manage its price risk arising from investments in equity shares/ other assets, the Company diversifies its portfolio.

(ii) Sensitivity

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Increase 5%	70.04	38.86	-	-
Decrease 5%	(70.04)	(38.86)	-	-

37D. 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 capital adequacy ratio as prescribed by the Reserve Bank Of India.

37E. Fair Values of Financial Instruments

Financial Instruments by Category (₹ in crores)

Particulars	As at March 31, 2023		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	1,762.39
Bank Balance other than above	-	-	1,407.07
Derivative financial instruments	-	172.37	-
Receivables			
(i) Trade receivables	-	-	66.51
(ii) Other receivables	-	-	151.96
Loans	-	4,094.78	10,454.56
Investments	1,871.88	-	1,907.81
Other financial assets	-	-	867.02
Total financial assets	**1,871.88**	**4,267.15**	**16,617.32**
Financial liabilities			
Derivative financial instruments	-	33.14	-
Trade payables	-	-	133.38
Other payables	-	-	-
Finance lease obligation	-	-	352.22
Debt securities	-	-	5,194.09
Borrowings (other than debt securities)	-	-	10,526.89
Subordinated liabilities	-	-	1,659.51
Other financial liabilities	-	-	894.33
Total financial liabilities	**-**	**33.14**	**18,760.42**

(₹ in crores)

Particulars	As at March 31, 2022		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	4,356.94
Bank Balance other than above	-	-	1,251.87
Derivative financial instruments	-	64.41	-
Receivables	-	-	
(i) Trade receivables	-	-	140.54
(ii) Other receivables	-	-	15.80
Loans	-	2,777.06	10,106.99
Investments	1,038.52	-	1,410.33
Other financial assets	-	-	518.82
Total financial assets	**1,038.52**	**2,841.47**	**17,801.28**
Financial liabilities			
Derivative financial instruments	-	149.46	-
Trade payables	-	-	86.17
Other payables	-	-	9.91
Finance lease obligation	-	-	327.62
Debt securities	-	-	5,105.28
Borrowings (other than debt securities)	-	-	9,771.07
Subordinated liabilities	-	-	1,369.64
Other financial liabilities	-	-	1,784.73
Total financial liabilities	**-**	**149.46**	**18,454.42**

37E. 1. Financial Instruments Measured At Fair Value – Fair Value Hierarchy

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.

37E.2. Valuation Methodologies Of Financial Instruments Measured At Fair Value

- Quoted equity/ debt instruments are measured based on the last traded price in the recognised stock exchange and are classified as level 1.
- Quoted Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Alternate Investment Funds and unquoted Mutual Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
- Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
- Government Securities are valued based on the closing price published by FBIL and are classified as level 2.
- Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
- Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
- Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
- Security receipts are measured as Level 3 basis rating given by independent Rating agencies to the Asset Reconstruction Companies on this secuity receipts.

(₹ 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	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	172.37	-	172.37	172.37
Loans - classified under FVTOCI	-	-	4,094.78	4,094.78	4,094.78
Investments	**0.00**	**181.30**	**1,690.57**	**1,871.87**	**1,871.87**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	971.24	971.24	971.24
(ii) Security receipts (Net)	-	-	719.33	719.33	719.33
(iii) Debt securities	-	*138.09*	-	*138.09*	*138.09*
(iv) Govt. Securities	-	*5.04*	-	*5.04*	*5.04*
(v) Preference shares	-	*38.17*	-	*38.17*	*38.17*
Total financial assets	**0.00**	**353.67**	**5,785.35**	**6,139.02**	**6,139.02**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	33.14	-	33.14	33.14
Total financial liabilities	-	**33.14**	-	**33.14**	**33.14**

(₹ 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	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	64.41	-	64.41	64.41
Loans - classified under FVTOCI	-	-	2,777.06	2,777.06	2,777.06
Investments	**0.00**	**-**	**1,038.52**	**1,038.52**	**1,038.52**
(i) Mutual funds/ Alternate investment fund / Others	0.00	-	955.22	955.22	955.22
(ii) Security receipts (Net)	-	-	83.30	*83.30*	*83.30*
Total financial assets	**0.00**	**64.41**	**3,815.58**	**3,879.99**	**3,879.99**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	149.46	-	149.46	149.46
Total financial liabilities	-	**149.46**	-	**149.46**	**149.46**

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37E.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.

Short-Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents,other financial assets and other financial liabilities and trade payables.

Loans, Debts, Borrowings And Subordinated Debts

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 identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity or original maturity less than one year, the carrying value has been considered as fair value. Fair values of Loans and advances are presented net of provisions for impairment.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2023	Total Fair value	Carrying value	Valuation hierarchy
Financial assets			
Cash and cash equivalents	1,762.39	1,762.39	-
Bank Balance other than included above	1,407.07	1,407.07	-
Receivables			
(i) Trade receivables	66.51	66.51	-
(ii) Other receivables	151.96	151.96	-
Loans	10,402.97	10,454.56	Level 3
Investment in subsidiary*	1,907.81	1,907.81	-
Other financial assets	867.02	867.02	-
Total financial assets	**16,565.73**	**16,617.32**	
Financial Liabilities			
Trade payables	133.38	133.38	-
Other payables	-	-	-
Debt securities **	4,904.93	5,194.09	Level 3
Borrowings (other than debt securities)	10,526.89	10,526.89	Level 3
Subordinated liabilities	1,690.23	1,659.51	Level 3
Other financial liabilities	894.33	894.33	-
Total financial liabilities	**18,149.76**	**18,408.20**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed.

** For Secured Medium Term Notes book value has been considered as fair value.

(₹ in crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Total Fair value	Carrying value	Valuation hierarchy
Financial assets			
Cash and cash equivalents	4,356.94	4,356.94	-
Bank Balance other than included above	1,251.87	1,251.87	-
Receivables	-		
(i) Trade receivables	140.54	140.54	-
(ii) Other receivables	15.80	15.80	-
Loans	9,883.95	10,106.99	Level 3
Investment in subsidiary*	1,410.33	1,410.33	-
Other financial assets	518.82	518.82	-
Total financial assets	**17,578.25**	**17,801.29**	
Financial Liabilities			
Trade payables	86.17	86.17	-
Other payables	9.91	9.91	-
Debt securities**	5,007.87	5,105.28	Level 3
Borrowings (other than debt securities)	9,245.21	9,771.07	Level 3
Subordinated liabilities	1,404.53	1,369.64	Level 3
Other financial liabilities	1,784.73	1,784.73	-
Total financial liabilities	**17,538.42**	**18,126.80**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed

** For Secured Medium Term Notes book value has been considered as fair value.

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37.E.4 Movements In Level 3 Financial Instruments Measured At Fair Value :

The following tables shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2022	**2,777.06**	**955.22**	**83.30**
Issuances	11,380.87	79.82	753.33
Sale of financial instrument classified as level 3 at the beginning of the financial year	(10,063.15)	(143.44)	(95.39)
Total gain/ (loss) recognised in profit and loss	-	79.64	(21.91)
Balances as at March 31, 2023	**4,094.78**	**971.24**	**719.33**
Unrealised gain /(loss) related to balances held at the end of financial year	-	148.21	(21.91)

(₹ in crores)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Security Receipts
Balances as at April 1, 2021	**2,890.47**	**7.11**	-
Issuances	8,593.21	1,052.64	103.71
Sale of financial instrument classified as level 3 at the beginning of the financial year	(8,706.63)	(174.05)	(20.41)
Total gain/ (loss) recognised in profit and loss	-	69.51	-
Balances as at March 31, 2022	**2,777.06**	**955.22**	**83.30**
Unrealised gain/ losses related to balances held at the end of financial year	-	68.57	-

37F. Transferred Financial Assets That Are Derecognised In Their Entirety

During the year ended March 31, 2022, the Company sold loans measured at FVTOCI through assignment deals. The Company derognised the assets as per IND AS 109 as all the risks and rewards relating to assets were transferred to the buyer.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/ (loss) on derecognition, per type of asset.

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Financial assets derecognised during the year	10,063.15	8,706.63
Gain from derecognition	471.33	410.71

37G. Transferred Financial Assets That Are Recognised In Their Entirety:

The Company uses securitisation 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)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	564.26	1,989.22
Carrying amount of associated liabilities	564.26	1,989.22
Fair value of assets	564.26	1,988.81
Fair value of associated liabilities	564.26	1,988.81
Net position at Fair value	-	-

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Note 38. Capital, Other Commitments And Contingent Liabilities At Balance Sheet Date:

Contingent Liabilities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
In respect of Income tax demands (refer note (a) and (b))	72.23	66.31
In respect of GST/Service tax demands (including interest accrued and refer note (c))	65.65	83.17
In respect of Profession tax demands (refer note (d))	0.16	0.16
In respect of Bank guarantees given (refer note (e))	584.94	845.50
In respect of Stamp Duty (refer note (f))	16.66	16.66
In respect of Legal cases	0.98	-

(a) The Company has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is 64.06 crores (P.Y ₹ 41.77 crores).

(c) Amount paid under protest with respect to service tax demand ₹ 1.89 crores (P.Y ₹ 1.89 crores) and with respect to GST demand ₹ 0.12 crores (P.Y ₹ 0.02 crores).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 crores (P.Y ₹ 0.05 crores).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Company had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Company has appealed against the same and paid ₹ 8.34 crores under protest towards its share of the liability and shown ₹ 16.66 crores as Contingent.The matter is pending before the court.

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

Commitments Not Provided For:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Commitments related to loans sanctioned but undrawn	40.66	793.55
Estimated amount of contracts remaining to be executed on capital account	18.36	18.75
Commitments related to Alternate Investment Funds	9.77	20.59

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Note 39. Employee Stock Option

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2008	As at March 2022 ESOP 2008
Number of Option outstanding	9,36,947	11,47,105
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	08-Mar-2016, 29-Apr-2017, 06-May-2021, 20-Aug-2021, 22-Dec-2021, 26- Aug 2022, 15-Oct 2022.	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017, 04-Sep-2020, 06-May-2021, 20-Aug-2021 and 22-Dec-2021.
Grant Price (₹ Per Share)	₹ 82.02, ₹ 218.71, ₹ 252.00, ₹ 252.00, ₹ 271.40, ₹ 341.65, ₹ 350	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71, ₹ 126.64, ₹ 252.00, ₹ 252.00 and ₹ 271.40

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Granted during the year	2,00,000	341.65-350.00	343.74	-
Expired/forfeited during the year	2,67,233	82.02- 252.00	215.90	-
Exercised during the year	1,42,925	82.02- 271.40	174.85	-
Outstanding as on March 31, 2023	**9,36,947**	**82.02-350.00**	**274.97**	**5.44**
Exercisable as on March 31, 2023	**75,788**	**252.00-271.40**	**288.15**	**4.54**

b) (ii) Movement of options during year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**3,31,525**	**82.02-218.71**	**93.70**	**2.65**
Granted during the year	9,25,000	252.00-271.40	252.52	-
Expired/forfeited during the year	14,360	82	82.65	-
Exercised during the year	95,060	82.02-82.73	82.04	-
Outstanding as on March 31, 2022	**11,47,105**	**82.02-271.40**	**222.89**	**5.44**
Exercisable as on March 31, 2022	**1,77,105**	**82.02-271.40**	**92.54**	**1.14**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	15-Oct-22	26-Aug-22	22-Dec-21	19-Aug-21
Stock price (₹)	350.00	341.65	271.40	252.00
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	7.37%	7.02%	5.81%	5.77%
Exercise price (₹)	350.00	341.65	271.40	252.00
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	45.31	42.15	35.40	35.40

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Particulars	ESOP 2008			
	06-May-21	04-Sep-20	29-Apr-17	08-Mar-16
Stock price (₹)	252.00	87.85	218.71	82.02
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.66%	6.56%	6.66%	7.47%
Exercise price (₹)	252.00	126.64	218.71	82.02
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	34.72	21.10	201.65	76.59

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2023 ESOP 2020	As at March 2022 ESOP 2020
Number of Option outstanding	27,05,444	35,72,033
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	02-Dec-2015, 08-Feb-2017, 02-May-2018, 21-Nov-2018 and 18-Jan-2019	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 182.22	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

(b) (i) Movement of options during the year ended March 31, 2023

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,77,836	106.67- 182.22	238.57	-
Exercised during the year	6,88,753	61.48-182.22	189.43	-
Outstanding as on March 31, 2023	**27,05,444**	**106.67- 182.22**	**212.21**	**2.29**
Exercisable as on March 31, 2023	**20,62,979**	**106.67- 182.22**	**218.51**	**2.35**

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(b) (ii) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**44,33,233**	**61.48-182.22**	**150.40**	**4.06**
Granted during the year	-	-	-	-
Expired/forfeited during the year	1,98,225	177.04-182.22	177.37	-
Exercised during the year	6,62,975	61.48-182.22	118.03	-
Outstanding as on March 31, 2022	**35,72,033**	**61.48-182.22**	**154.91**	**3.19**
Exercisable as on March 31, 2022	**20,31,205**	**61.48-182.22**	**150.73**	**3.05**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	18-Jan-19	18-Jan-19	21-Nov-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%	59.00%
Risk-free Rate	7.28% - 7.49%	7.28% - 7.49%	7.21% - 7.40%	7.13% - 7.40%
Exercise price (₹)	182.22	182.22	177.04	142.22
Time to Maturity (Years)	5.80	5.55	5.39	5.09
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	161.25	102.16	102.29	106.78

Particulars	ESOP 2020		
	02-May-18	08-Feb-17	02-Dec-15
Stock price (₹)	179.63	179.63	179.63
Volatility	59.00%	59.00%	59.00%
Risk-free Rate	7.13% - 7.34%	6.94% - 7.21%	6.82%
Exercise price (₹)	142.22	106.67	61.48
Time to Maturity (Years)	4.84	3.87	2.33
Dividend yield	1.00%	1.00%	1.00%
Weight Average Value (₹)	106.90	110.78	37.90

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

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Note 40. Additional Dislcoure Requirements

(i) Relationship With Struck off Companies

The Company has not entererd into any transactions with strike off companies.

(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance With Number of Layers of Companies:

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

(iv) Utilisation of Borrowed Funds and Share Premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-

(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed Income

The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2023.

(ix) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Company

Title deeds of immovable properties (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.

(xi) Disclosure on Loans and Advances

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 promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

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(xii) Ratios

Particulars	As at March 31, 2023	As at March 31, 2022
Capital to risk-weighted assets ratio (CRAR)	20.38%	23.85%
Tier I CRAR	12.85%	16.02%
Tier II CRAR	7.53%	7.83%
Liquidity Coverage Ratio for the quarter ended March 31	193.50%	116.59%

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 41. List of Related Parties

Nature of relationship	Name of party *
Direct subsidiaries	IIFL Home Finance Limited
	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)
	IIFL Open Fintech Private Limited (w.e.f May 17,2022)
Other related parties	IIFL Securities Limited
	IIFL Management Services Limited
	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	India Infoline Foundation
	India Infoline Employee Trust Limited
	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)
	IIFL Wealth Finance Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	IIHFL Sales Limited
	5paisa Capital Limited
	5paisa P2P Limited
Key managerial personnel	Mr.Nirmal Jain
	Mr.R. Venkataraman
	Mr.Rajesh Rajak (upto October 31, 2022)
	Mr. Kapish Jain (w.e.f November 01,2022)
Relatives of Key managerial personnel	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian)

* The above list includes related parties with whom transactions have been carried out during the year.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 41.1 Significant transactions with related parties

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Interest income				
IIFL Securities Limited	-	5.13	-	5.13
	-	(4.75)	-	(4.75)
IIFL Home Finance Limited	-	-	-	-
	(20.16)	-	-	(20.16)
IIFL Facilities Services Limited	-	-	-	-
	-	(2.04)	-	(2.04)
IIFL Management Services Limited	-	-	-	-
	-	(0.01)	-	(0.01)
5paisa Capital Limited	-	3.47	-	3.47
	-	(5.07)	-	(5.07)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	1.03	-	-	1.03
	(7.45)	-	-	(7.45)
Mr. Shankar Subramanian	-	-	0.04	0.04
	-	-	(0.02)	(0.02)
Interest expense				
IIFL Facilities Services Limited	-	0.00	-	0.00
	-	(8.94)	-	(8.94)
IIFL Home Finance Limited	1.07	-	-	1.07
	-	-	-	-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	0.01	-	0.01
	-	-	-	-
IIFL Management Services Limited	-	0.14	-	0.14
	-	(0.54)	-	(0.54)
IIFL Securities Limited	-	1.59	-	1.59
	-	(0.48)	-	(0.48)
Referral fees income/Other charges income				
IIFL Home Finance Limited	-	-	-	-
	(0.04)	-	-	(0.04)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	10.85	-	10.85
	-	-	-	-
Mr. Shankar Subramanian	-	-	0.00	0.00
	-	-	(0.00)	(0.00)
Donation paid				
India Infoline Foundation	-	8.70	-	8.70
	-	(8.20)	-	(8.20)
Referral Fees Expense/other charges				
IIFL Securities Limited	-	7.06	-	7.06
	-	(22.57)	-	(22.57)
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	6.77	-	6.77
	-	(3.55)	-	(3.55)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.07	-	0.07
	-	-	-	-
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	56.72	-	-	56.72
	(7.21)	-	-	(7.21)
IIFL Home Finance Limited	0.25	-	-	0.25
	(1.56)	-	-	(1.56)
IIFL Open Fintech Private Limited	0.58	-	-	0.58
	-	-	-	-
Rent expenses				
IIFL Facilities Services Limited	-	2.11	-	2.11
	-	(1.92)	-	(1.92)
Brokerage expense				
IIFL Securities Limited	-	0.50	-	0.50
	-	(0.09)	-	(0.09)
Remuneration paid				
Mr.Nirmal Jain	-	-	10.20	10.20
	-	-	(8.67)	(8.67)
Mr.Kapish Jain (w.e.f November 01, 2022)	-	-	0.88	0.88
	-	-	-	-
Mrs. Sneha Patwardhan	-	-	0.74	0.74
	-	-	(0.58)	(0.58)
Mr.Rajesh Rajak (upto October 31, 2022)	-	-	1.82	1.82
	-	-	(1.33)	(1.33)
Equity dividend received				
IIFL Home Finance Limited	83.87	-	-	83.87
	(62.90)	-	-	(62.90)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	3.71	-	-	3.71
	-	-	-	-
Equity dividend paid				
India Infoline Employee Trust Limited	-	0.03	-	0.03
	-	(0.03)	-	(0.03)
ICD/loan taken**				
IIFL Home Finance Limited	300.00	-	-	300.00
	(421.00)	-	-	(421.00)
IIFL Securities Limited	-	-	-	-
	-	(200.00)	-	(200.00)
IIFL Facilities Services Limited	-	-	-	-
	-	(4,250.60)	-	(4,250.60)

(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
ICD/loan returned**				
IIFL Home Finance Limited	300.00	-	-	300.00
	(421.00)	-	-	(421.00)
IIFL Securities Limited	-	-	-	-
	-	(200.00)	-	(200.00)
IIFL Facilities Services Limited	-	-	-	-
	-	(4,250.60)	-	(4,250.60)
ICD/loan given**				
IIFL Securities Limited	-	1,065.00	-	1,065.00
	-	(1,739.00)	-	(1,739.00)
IIFL Management Services Limited	-	-	-	-
	-	(50.00)	-	(50.00)
IIFL Facilities Services Limited	-	-	-	-
	-	(2,663.50)	-	(2,663.50)
IIFL Home Finance Limited	-	-	-	-
	(3,284.40)	-	-	(3,284.40)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	100.00	-	-	100.00
	(550.00)	-	-	(550.00)
5paisa Capital Limited	-	700.00	-	700.00
	-	(600.00)	-	(600.00)
ICD/loan received back**				
IIFL Securities Limited	-	1,065.00	-	1,065.00
	-	(1,739.00)	-	(1,739.00)
IIFL Facilities Services Limited	-	-	-	-
	-	(2,663.50)	-	(2,663.50)
IIFL Management Services Limited	-	-	-	-
	-	(50.00)	-	(50.00)
IIFL Home Finance Limited	-	-	-	-
	(3,284.40)	-	-	(3,284.40)
5paisa Capital Limited	-	700.00	-	700.00
	-	(600.00)	-	(600.00)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	100.00	-	-	100.00
	(550.00)	-	-	(550.00)
Mr. Shankar Subramanian	-	-	0.06	0.06
	-	-	-	
Investment in subsidiaries				
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	200.00	-	-	200.00
	(225.00)	-	-	(225.00)
IIFL Open Fintech Private Limited	38.40	-	-	38.40
	-	-	-	-
Purchase of investment				
IIFL Home Finance Limited	259.08	-	-	259.08
	-	-	-	-
Sale of investment				
IIFL Home Finance Limited	-	-	-	-
	(144.00)	-	-	(144.00)
Allocation / reimbursement of expenses paid				
IIFL Securities Limited	-	9.50	-	9.50
	-	(9.24)	-	(9.24)
5paisa Capital Limited	-	0.04	-	0.04
	-	(0.04)	-	(0.04)
IIFL Home Finance Limited	1.37	-	-	1.37
	(0.91)	-	-	(0.91)
IIFL Management Services Limited	-	0.41	-	0.41
	-	(0.18)	-	(0.18)
IIHFL Sales Limited	-	0.07	-	0.07
	-	-	-	-
IIFL Facilities Services Limited	-	1.97	-	1.97
	-	(1.48)	-	(1.48)
Allocation / reimbursement of expenses paid others				
IIFL Securities Limited	-	0.70	-	0.70
	-	(1.97)	-	(1.97)
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-
	-	(0.00)	-	(0.00)
5paisa P2P Limited	-	-	-	-
	-	(0.00)	-	(0.00)
IIFL Facilities Services Limited	-	0.09	-	0.09
	-	(0.20)	-	(0.20)
IIFL Home Finance Limited	0.74	-	-	0.74
	(0.26)	-	-	(0.26)
5paisa Capital Limited	-	0.22	-	0.22
	-	(0.31)	-	(0.31)
IIFL Management Services Limited	-	0.00	-	0.00
	-	(0.03)	-	(0.03)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	-	-	-
	(0.66)	-	-	(0.66)
IIFL Open Fintech Private Limited	0.01	-	-	0.01
	-	-	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.04	-	0.04
	-	(0.02)	-	(0.02)
IIHFL Sales Limited	-	0.03	-	0.03
	-	(0.00)	-	(0.00)
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	0.00	-	0.00
	-	(0.00)	-	(0.00)

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(₹ in Crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Allocation / reimbursement of expenses received				
IIFL Facilities Services Limited	-	0.08	-	0.08
	-	(0.09)	-	(0.09)
IIFL Management Services Limited	-	0.13	-	0.13
	-	(0.03)	-	(0.03)
IIFL Securities Limited	-	2.88	-	2.88
	-	(2.75)	-	(2.75)
IIFL Home Finance Limited	6.58	-	-	6.58
	(4.76)	-	-	(4.76)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	0.03	-	-	0.03
	-	-	-	-
5paisa Capital Limited	-	1.55	-	1.55
	-	(0.87)	-	(0.87)
IIFL Open Fintech Private Limited	0.00	-	-	0.00
	-	-	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.11	-	0.11
	-	(0.01)	-	(0.01)
IIHFL Sales Limited	-	1.23	-	1.23
	-	(0.21)	-	(0.21)
Allocation / reimbursement of expenses received others				
5paisa Capital Limited	-	0.20	-	0.20
	-	(0.10)	-	(0.10)
5paisa P2P Limited	-	0.00	-	0.00
	-	-	-	-
IIFL Securities Limited	-	0.78	-	0.78
	-	(0.73)	-	(0.73)
IIFL Home Finance Limited	0.88	-	-	0.88
	(1.72)	-	-	(1.72)
IIFL Management Services Limited	-	0.10	-	0.10
	-	(0.00)	-	(0.00)
IIFL Facilities Services Limited	-	0.01	-	0.01
	-	(0.10)	-	(0.10)
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	0.01	-	0.01
	-	(0.05)	-	(0.05)
India Infoline Foundation	-	0.00	-	0.00
	-	-	-	-
IIFL Open Fintech Private Limited	0.01	-	-	0.01
	-	-	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.04	-	0.04
	-	(0.03)	-	(0.03)
IIHFL Sales Limited	-	0.00	-	0.00
	-	(0.00)	-	(0.00)
Security deposit paid towards rent				
IIFL Facilities Services Limited	-	0.02	-	0.02
	-	(0.04)	-	(0.04)
Security deposit received back				
IIFL Facilities Services Limited	-	0.01	-	0.01
	-	-	-	-
Assignment/Securitisation transactions paid on behalf				
IIFL Home Finance Limited	63.35	-	-	63.35
	(90.14)	-	-	(90.14)
Non Convertible Debenture issued				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	6.10	-	6.10
	-	-	-	-
Non Convertible Debentures redeemed/bought back				
IIFL Management Services Limited	-	-	-	-
	-	(10.81)	-	(10.81)
Repayment towards Borrowing				
IIFL Management Services Limited	-	0.12	-	0.12
	-	(5.27)	-	(5.27)
IIFL Securities Limited	-	-	-	-
	-	(4.09)	-	(4.09)

Note 41.2 Closing balances with related parties

(₹ in crores)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their	Total
Other payable				
Spaisa Capital Limited	-	0.02	-	0.02
	-	(0.17)	-	(0.17)
IIFL Securities Limited	-	-	-	-
	-	(1.26)	-	(1.26)
IIFL Management Services Limited	-	0.11	-	0.11
	-	-	-	-
IIFL Facilities Services Limited	-	0.14	-	0.14
	-	(0.06)	-	(0.06)
IIFL Open Fintech Private Limited	0.61	-	-	0.61
	-	-	-	-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	1.52	-	1.52
	-	(3.84)	-	(3.84)
IIHFL Sales Limited	-	0.01	-	0.01
	-	-	-	-
IIFL Home Finance Limited	0.07	-	-	0.07
	-	-	-	-
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	7.18	-	-	7.18
	(2.50)	-	-	(2.50)
Other receivable				
Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	-	0.00	-	0.00
	-	(0.02)	-	(0.02)
IIFL Management Services Limited	-	-	-	-
	-	(0.00)	-	(0.00)
IIFL Securities Limited	-	0.69	-	0.69
	-	-	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	2.97	-	2.97
	-	(0.04)	-	(0.04)
IIHFL Sales Limited	-	-	-	-
	-	(0.11)	-	(0.11)
IIFL Home Finance Limited	-	-	-	-
	(0.13)	-	-	(0.13)
Security deposit receivable				
IIFL Facilities Services Limited	-	0.93	-	0.93
	-	(0.92)	-	(0.92)
Corporate guarantee given				
IIFL Home Finance Limited	584.94	-	-	584.94
	(845.50)	-	-	(845.50)
Outstanding non convertible debenture issued				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	6.10	-	6.10
	-	-	-	-
IIFL Securities Limited	-	-	-	-
	-	(44.30)	-	(44.30)
IIFL Facilities Services Limited	-	-	-	-
	-	(0.00)	-	(0.00)
Interest accrued on non convertible debenture issued				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	3.10	-	3.10
	-	-	-	-
IIFL Securities Limited	-	-	-	-
	-	(1.97)	-	(1.97)
IIFL Facilities Services Limited	-	-	-	-
	-	0.00	-	0.00
Loan & other receivable				
Mr. Shankar Subramanian	-	-	0.14	0.14
	-	-	(0.20)	(0.20)
Gratuity payable *				
Mr.Nirmal Jain	-	-	0.15	0.15
	-	-	(0.15)	(0.15)
Mr.Kapish Jain (w.e.f November 01, 2022)	-	-	0.01	0.01
	-	-	-	-
Mrs. Sneha Patwardhan	-	-	0.01	0.01
	-	-	(0.00)	(0.00)
Mr.Rajesh Rajak (upto October 31, 2022)	-	-	-	-
	-	-	(0.01)	(0.01)
Leave encashment payable *				
Mr.Nirmal Jain	-	-	0.89	0.89
	-	-	(0.64)	(0.64)
Mr.Kapish Jain (w.e.f November 01, 2022)	-	-	0.02	0.02
	-	-	-	-
Mrs. Sneha Patwardhan	-	-	0.00	0.00
	-	-	(0.00)	(0.00)
Mr.Rajesh Rajak (upto October 31, 2022)	-	-	-	-
	-	-	0.01	0.01

* Based on actuarial valuation report
**ICD Transactions are including Intraday
Wherever amount is less than ₹0.01 crores, shown as ₹ 0.00
(Figure in bracket represents previous year figure)

Note 42. Corporate Social Responsibility:

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
(a) Amount required to be spent	8.70	8.20
(b) Amount of expenditure incurred	8.70	5.74
(c) Shortfall at the end of the year	-	2.46
(d) Total of previous years shortfall	-	-
(e) Nature of CSR activities	Promoting Education and Healthcare, eradicating poverty	

Reason for shortfall during previous year: The Company during the previous year had contributed towards the ongoing projects to IIFL
The Company contributes its CSR requirement to India Infoline Foundation Limited, a group Company.

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IIFL FINANCE LIMITED

Note 43.1 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	1,762.39	-	1,762.39
(b)	Bank balance other than (a) above	1,331.08	75.99	1,407.07
(c)	Derivative financial instruments	44.00	128.37	172.37
(d)	Receivables			
	(i) Trade receivables	65.59	0.92	66.51
	(ii) Other receivables	151.96	-	151.96
(e)	Loans	10,109.56	4,439.78	14,549.34
(f)	Investments	143.13	3,636.56	3,779.69
(g)	Other financial assets	464.84	402.18	867.02
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	225.77	225.77
(b)	Deferred tax assets (net)	-	31.80	31.80
(c)	Investment property	-	293.70	293.70
(d)	Property, plant and equipment	-	147.79	147.79
(e)	Capital work-in-progress	27.30	0.10	27.40
(f)	Right of-use assets	-	328.23	328.23
(g)	Other intangible assets	-	2.95	2.95
(h)	Other non-financial assets	191.40	69.10	260.50
(i)	Assets held for sale	7.85	-	7.85
	Total Assets	**14,299.10**	**9,783.24**	**24,082.34**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	29.36	3.78	33.14
(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	132.81	0.57	133.38
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	79.42	272.80	352.22
(d)	Debt securities	2,870.10	2,323.99	5,194.09
(e)	Borrowings (other than debt securities)	3,819.67	6,707.22	10,526.89
(f)	Subordinated liabilities	59.13	1,600.38	1,659.51
(g)	Other financial liabilities	894.33	-	894.33
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	29.63	-	29.63
(b)	Provisions	42.56	8.70	51.26
(c)	Other non-financial liabilities	92.98	-	92.98
[3]	**Equity**			
(a)	Equity share capital	-	76.09	76.09
(b)	Other equity	-	5,038.82	5,038.82
	Total Liabilities and Equity	**8,049.99**	**16,032.35**	**24,082.34**

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IIFL FINANCE LIMITED

Note 43.2 Maturity Analysis Of Assets And Liabilities As At March 31, 2022

(₹ in crores)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	4,356.94	-	4,356.94
(b)	Bank balance other than (a) above	1,001.60	250.27	1,251.87
(c)	Derivative financial instruments	-	64.41	64.41
(d)	Receivables			
	(i) Trade receivables	140.52	0.02	140.54
	(ii) Other receivables	15.80	-	15.80
(e)	Loans	7,906.80	4,977.25	12,884.05
(f)	Investments	0.00	2,448.85	2,448.85
(g)	Other financial assets	152.35	366.47	518.82
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	227.02	227.02
(b)	Deferred tax assets (net)	-	158.50	158.50
(c)	Investment property	-	288.51	288.51
(d)	Property, plant and equipment	-	134.82	134.82
(e)	Capital work-in-progress	5.14	0.50	5.64
(f)	Right of-use assets	-	297.25	297.25
(g)	Other intangible assets	-	1.92	1.92
(h)	Other non-financial assets	85.01	248.71	333.72
(i)	Assets held for sale	7.84	-	7.84
	Total Assets	**13,672.00**	**9,464.50**	**23,136.50**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6.22	143.24	149.46
(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	85.15	1.02	86.17
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.91	-	9.91
(c)	Finance lease obligation	68.04	259.58	327.62
(d)	Debt securities	774.35	4,330.93	5,105.28
(e)	Borrowings (other than debt securities)	2,975.42	6,795.65	9,771.07
(f)	Subordinated liabilities	80.27	1,289.37	1,369.64
(g)	Other financial liabilities	1,758.71	26.02	1,784.73
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	18.44	-	18.44
(b)	Provisions	34.28	7.10	41.38
(c)	Other non-financial liabilities	45.90	-	45.90
[3]	**Equity**			
(a)	Equity share capital	-	75.92	75.92
(b)	Other equity	-	4,350.98	4,350.98
	Total Liabilities and Equity	**5,856.69**	**17,279.81**	**23,136.50**

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44. Disclosure as required under Annex XVI- RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 as may be amended from time to time and RBI/2022-23/26 - DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022:

(i) Capital Adequacy Ratio (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	20.38%	23.85%
CRAR - Tier I Capital (%)	12.85%	16.02%
CRAR - Tier II Capital (%)	7.53%	7.83%
Amount of subordinate debt raised as Tier- II capital	300.00	50.00
Amount raised by issue of perpetual debt instruments.	-	-

(ii) Disclosure of Investments (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
Gross value of Investments*	**4,109.59**	**2,810.94**
(a) In India	4,109.59	2,810.94
(b) Outside India	-	-
Provision for depreciation/diminution	**329.90**	**362.09**
(a) In India	329.90	362.09
(b) Outside India	-	-
Net value of investments	**3,779.69**	**2,448.85**
(a) In India	3,779.69	2,448.85
(b) Outside India	-	-
Movement of provisions held towards depreciation on Investments		
Opening Balance	362.09	2.40
Add: Provision made during the year	-	362.09
Less : Write -off / write-back of excess provisions during the year	(32.19)	(2.40)
Closing balance	**329.90**	**362.09**

* Includes Mark to Market Gain of ₹ 108.63 crore (P.Y ₹ 68.57 crore)

(iii) Derivatives:

(a) Forward Rate Agreement / Interest Rate Swap (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
The notional principal of Forward/swap agreements	5,374.29	4,389.88
Losses which would be incurred if counterparties failed to fulfill their obligation under the agreements.	172.37	64.41
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	5,374.29	4,389.88
The fair value of swap book	139.23	(85.05)

(b) Exchange traded Interest Rate "IR" derivatives (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Notional principal amount of exchange traded IR derivatives undertaken		
- Forward Rate agreements	-	-
Total	-	-
Notional principal amount of exchange traded IR derivatives outstanding		
- Forward Rate agreements	-	-
Total	-	-
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark to market value of exchange traded IR derivative outstanding and not highly effective	-	-

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(c) Disclosures on Risk Exposure in Derivatives:

(I) Qualitative disclosure:

a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved policies including limits. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also reviews stress testing.

The monitoring and measurement of risk in derivatives is carried out by the Risk Department. The Risk Department is independent of the Treasury Front office, back office and directly reports into the Chief Risk Officer.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored and measured daily. The Risk Department measures and reports Market Risk metrics like VaR, PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho, etc. The Credit Risk from the derivatives portfolio is also measured daily.

The Risk Department monitors these exposures against the set limits and also reviews profitability on a daily basis. MIS is sent to relevant teams on a periodic basis. Exception reports are also sent so that emerging risks are reviewed and managed on a timely basis. Stress testing is also performed on the Derivative portfolio.

c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/Interest Rate Futures and/or Equity Index/Stock Options/ Currency Options as the case may be ("Derivatives Portfolio") which are released on final settlement/squaring-up of underlying contracts are disclosed under the head "Other Current Assets".

"Equity Index/Stock Option/Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively which is amortised over the period of contract.

On final settlement or squaring up of contracts for Derivatives Portfolio, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Derivatives Portfolio before expiry, the premium, prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market/Unrealised Profit/(Loss) on all outstanding Derivative portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Other Comprehensive Income.

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(iii) Quantitative Disclosure (₹ in crores)

Particulars	FY 2022-23		FY 2021-22	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principle Amount):				
- For hedging *	4,678.79	695.50	3,694.38	695.50
Marked to market positions:				
a) Asset	145.89	26.48	45.85	18.56
b) Liability	33.14	-	149.46	-
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

* The Company has opted for hedge accounting under IND AS 109 as stated under the significiant accounting policies.

(iv) Disclosures pertaining to securitisation transactions

The Company sells loans through securitisation and direct assignment.

(A) The information on securitisation done by the Company as an originator is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total number of loan assets under par structure	-	2,99,960
Total book value of loan assets	-	1,682.00
Sale consideration received	-	1,682.00

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
No. of SPVs sponsored by the company for securitisation transactions	2	12
Total amount of securitised assets as per the books of SPVs sponsored by the company	564.26	1,989.23
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	-	-
Other amount of Securtised assets as per the books of SPV sponsored by the company	-	-
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	52.80	226.73
Investment in PTC	-	-
Overcollateralization	80.00	236.50
Amount of exposures to securitisation transaction other than MRR	-	2.07
a) Off - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	-	-
Others	-	-
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	-	-
Others	-	-
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-

(B) The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
Total number of loan assets under par structure	11,10,696	11,87,478
Total book value of loan assets	10,063.15	8,706.63
Sale consideration received	10,063.15	8,706.63

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The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
No. of transactions assigned by the Company	68	34
Total amount outstanding	9,308.70	7,974.24
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	930.87	797.42
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Exposures to own assigned transactions	-	-
Amount of exposures to assigned transaction other than MRR	-	-
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-

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(v) Asset liability management maturity pattern

As at March 31, 2023

(₹ in crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,761.23	1,955.26	1,492.89	2,198.79	1,947.49	3,824.09	415.79	18.19	13,613.73
Other Advances	77.02	85.10	110.77	24.23	638.21	0.28	-	-	935.61
Investments	143.13	-	-	-	-	971.25	-	2,665.31	3,779.69
Borrowings (Includes foreign currency borrowings)	2,836.81	599.15	485.63	826.02	2,001.28	6,148.75	1,886.66	2,596.20	17,380.49
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 505.20 crore

As at March 31, 2022

(₹ in crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	1,424.28	1,437.51	1,191.25	2,152.62	1,678.42	3,437.94	551.64	156.09	12,029.74
Other Advances	106.62	116.83	152.37	378.56	68.83	-	-	31.09	854.31
Investments	-	-	-	-	19.78	83.30	935.44	1,410.33	2,448.85
Borrowings (Includes foreign currency borrowings)	194.27	545.75	475.55	676.52	1,937.92	9,341.23	1,258.77	1,815.99	16,245.99
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 595.32 crore

(vi) Exposure to Real Estate Sector

(₹ 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.	1,492.34	2,479.50
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residentail building, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	519.19	708.02
Total Direct Exposure (A)	**2,011.53**	**3,187.52**
b) Indirect Exposure (B)	**1,410.42**	**1,670.97**
Total Exposure to Real Estate Sector (A+B)	**3,421.95**	**4,858.49**

Note: Exposure includes amount outstanding including principal and interest overdue but excluding sanctioned undisbursed amounts.

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(vii) Exposure to Capital Market:

(₹ in crores)

Particulars	March 31, 2023	March 31, 2022
(i) Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.00	0.00
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	441.57	529.42
(iii) Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary security;	7.94	6.83
(iv) All exposures to Venture Capital Funds & Alternative Investment Funds - **Category - II**	971.25	955.22
Total Exposure to Capital Market	**1,420.76**	**1,491.47**

Note:

(a) Exposure includes amount outstanding including principal and interest overdue.

(b) The above excludes direct equity and debt investment in own subsidiary companies.

(viii) No penalty has been imposed during the year by RBI or other regulators.

(ix) Details of Credit Ratings:

A) Ratings assigned by Credit Rating Agencies:

(₹ in crores)

Rating Agency	Product	As at March 31, 2023		As at March 31, 2022	
		Amount	Rating assigned	Amount	Rating assigned
CARE Ratings Limited	Non Convertible Debenture	537.50	CARE AA; Stable [Double A; Outlook: Stable]	825.00	CARE AA; Stable [Double A; Outlook: Stable]
CARE Ratings Limited	Long Term Bank Facilities	400.00	CARE AA; Stable [Double A; Outlook: Stable]	400.00	CARE AA; Stable [Double A; Outlook: Stable]
CARE Ratings Limited	Subordinate Debt	100.00	CARE AA; Stable [Double A; Outlook: Stable]	100.00	CARE AA; Stable [Double A; Outlook: Stable]
ICRA Limited	Non Convertible Debentures Programme	8,525.23	[ICRA]AA ;Stable; reaffirmed	8,866.27	[ICRA]AA ;Stable; reaffirmed
ICRA Limited	Commercial Paper programme	8,000.00	[ICRA]A1+; reaffirmed	8,000.00	[ICRA]A1+; reaffirmed
ICRA Limited	Subordinate Debt Programme	710.00	[ICRA]AA ;Stable; reaffirmed	745.00	[ICRA]AA ;Stable; reaffirmed
ICRA Limited	Long Term Bank Lines	5,775.00	[ICRA]AA ;Stable; reaffirmed	5,775.00	[ICRA]AA ;Stable; reaffirmed
ICRA Limited	Long Term Principle Protected Equity Linked Debenture Programme	500.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	500.00	PP-MLD[ICRA]AA ; reaffirmed; Stable
ICRA Limited	Long Term Principle Protected Market Linked Debenture Programme	364.00	PP-MLD[ICRA]AA ; reaffirmed; Stable	364.00	PP-MLD[ICRA]AA ; reaffirmed; Stable
ICRA Limited	Commercial Paper programme (IPO financing)	8,000.00	[ICRA]A1+; reaffirmed	8,000.00	[ICRA]A1+; reaffirmed
ICRA Limited	Non convertible debenture programme	5,000.00	[ICRA]AA ;Stable, assigned	-	-
CRISIL Limited	Non Convertible Debentures *	5,000.00	CRISIL AA/Stable reaffirmed	5,000.00	CRISIL AA/Stable reaffirmed

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Rating Agency	Product	As at March 31, 2023		As at March 31, 2022	
		Amount	Rating assigned	Amount	Rating assigned
CRISIL Limited	Subordinate Debt	5.00	CRISIL AA/Stable reaffirmed	348.37	CRISIL AA/Stable reaffirmed
CRISIL Limited	Long Term Principal Protected Market Linked Debentures	1,100.00	CRISIL PP-MLD AAr/Stable reaffirmed	1,500.00	CRISIL PP-MLD AAr/Stable reaffirmed
CRISIL Limited	Commercial Paper programme (IPO financing)	500.00	CRISIL A1+ reaffirmed	8,000.00	CRISIL A1+ reaffirmed
CRISIL Limited	Commercial Paper	8,500.00	CRISIL A1+ reaffirmed	8,500.00	CRISIL A1+ reaffirmed
CRISIL Limited	Total Bank Loan Facilities Rated (Long Term Rating)	4,000.00	CRISIL AA/Stable reaffirmed	2,000.00	CRISIL AA/Stable reaffirmed
CRISIL Limited	Non Convertible Debentures *	3,686.30	CRISIL AA/Stable reaffirmed	2,825.00	CRISIL AA/Stable reaffirmed
CRISIL Limited	Non Convertible Debentures *	1,513.84	CRISIL AA/Stable reaffirmed	2,402.00	CRISIL AA/Stable reaffirmed
Brickwork Ratings	NCDs (Public Issue)	1,513.84	BWR AA+ Negative reaffirmed	1,513.84	BWR AA+ Negative reaffirmed
Brickwork Ratings	Non Convertible Debentures	493.43	BWR AA+ Negative reaffirmed	842.26	BWR AA+ Negative reaffirmed
Brickwork Ratings	Secured Non Covertible Debentures	5.00	BWR AA+ Negative reaffirmed	5.00	BWR AA+ Negative reaffirmed
Brickwork Ratings	NCDs (Public Issue proposed)	5,000.00	BWR AA+ Negative assigned	-	-
Moody's	Corporate family rating (CFR)	NA	B2 / Stable	NA	B2 / Stable
Moody's	Long-term foreign- and local-currency senior secured ratings to USD 1 billion Medium Term Note (MTN) program	USD 1000 M	B2 / Stable	USD 1000 M	B2 / Stable
Fitch	Senior secured notes issued under USD 1 billion Medium Term Note (MTN) Programme	USD 1000 M	B+ / Affirmed	USD 1000 M	B+ / Affirmed
Fitch	Senior secured notes issued under USD 400 million bond	USD 400 M	B+ / Affirmed	USD 400 M	B+ / Affirmed
Fitch	Long-Term Issuer Default Rating (IDR)	NA	B+	NA	B+

*Interchangeable between secured and subordinated debt.

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B) There are no migration of credit ratings during the year.

(x) No registration has been obtained from other financial regulators.

(xi) Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2023 & March 31, 2022 following are having Nil disclosure:

a. Draw down from reserves.
b. Overseas assets (for those with joint ventures and subsidiaries abroad).
c. Off- Balance Sheet SPVs sponsored.
d. Financing of parent company products.
e. Postponement of revenue recognition.
f. Auditors have not expressed modified opinion on the audited financial statements.
g. Items of income & expenditure of exceptional nature.
h. Breach in terms of covenants in respect of loans availed by the Company or debt securities issued by the Company including incidence/s of default.
i. Divergence in asset classification and provisioning above a certain threshold to be decided by the RBI.

(xii) The Company during the year ended has not exceeded single borrower limit (SGL)/ group borrower limit (GBL) while performing its lending operations.

(xiii) Remuneration paid to Non Executive Directors: (₹ in crores)

Name of the Director	FY 2022-23	FY 2021-22
Mr. Arun Kumar Purwar	0.28	0.22
Mrs. Geeta Mathur	0.26	0.24
Mr. Nilesh Vikamsey	0.25	0.24
Mr. Ramakrishnan Subramanian *(w.e.f September 06, 2021)*	0.25	0.07
Mr. Vibhore Sharma *(w.e.f July 01, 2021) (upto August 31, 2022)*	0.06	0.10
Mr. Vijay Kumar Chopra	0.21	0.25
Total	**1.31**	**1.12**

(xiv) Details of Provisions and Contingencies (₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Provision for depreciation on investment	(32.19)	359.69
Provision towards non performing advances	(68.51)	(48.56)
Other Provision and Contingencies:		
Bad debts written off/(back)	355.15	723.83
Provision for Contingencies/Other financial assets	10.69	9.03
Provision for Standard Assets	(11.80)	(167.40)
Total	**253.34**	**876.59**
Provision made towards Income Tax	237.23	221.89

(xv). Details Of Concentration Of Advances, Exposures & NPA:

a) Concentration of Advances

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total advances to twenty largest borrowers	2,077.63	2,360.29
Outstanding Advances	14,047.88	12,625.07
Percentage of advances to twenty largest borrowers to total advances	14.79%	18.70%

b) Concentration of Exposures

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers	2,185.30	3,447.50
Percentage of exposure to twenty largest borrowers / customers to total exposure	15.41%	24.40%

c) Concentration of NPAs

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to top four NPA accounts	10.68	124.01

d) Details Of Sectorwise NPA:

(₹ in crores)

Particulars	% of NPAs to total advances 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	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
	As at March 31, 2023			As at March 31, 2022		
1. Agriculture & allied activities	-	-	0.00%	-	-	0.00%
2. Industry						
a. Micro & Small - SME **	1,238.39	43.92	3.55%	879.20	129.87	14.77%
3. Services						
a. Commercial & Residential Real Estate	2,009.12	10.44	0.52%	3,497.71	123.11	3.52%
4. Personal Loans						
a. Loans against Gold Jewellery	8,329.51	66.68	0.80%	7,852.15	67.76	0.86%
b. Advances to individuals against share, bonds, etc.	449.52	-	0.00%	551.21	-	0.00%
c. Loan against property	729.88	7.74	1.06%	-	-	0.00%
d. Others	1,142.53	50.75	4.44%	949.08	43.88	4.62%
5. Other loans*	280.79	1.79	0.64%	399.05	1.82	0.46%

* Other loans include all loans that cannot be classified under any of the other sectors.

** Higher GNPA in Micro & Small SME Sector as on 31st March 2022 is mainly due to two factors one being impact of the Covid restructured book which was under stress and second is on account of new RBI guidelines for NPA classification dated 12th November 2021

(xvi). Movement of NPAs:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net NPAs to Net Advances (%)	0.64%	1.63%
(ii) Movement of NPAs (Gross)		
(a) Opening balance*	406.21	408.04
(b) Addition during the year	178.25	274.02
(c) Reduction during the year	(381.96)	(275.86)
(d) Closing balance*	202.49	406.21

* Includes interest of ₹ 21.17 crores (P.Y ₹ 39.76 crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(iii) Movement of Net NPAs		
(a) Opening balance	206.30	143.25
(b) Addition during the year	82.61	160.51
(c) Reduction during the year	(199.22)	(97.46)
(d) Closing balance	89.69	206.30
(iv) Movement of provision for NPAs (excluding provision on standard assets)		
(a) Opening balance**	199.91	264.80
(b) Addition during the year	95.64	113.51
(c) Reduction during the year	(182.74)	(178.40)
(d) Closing balance**	112.81	199.91

** Includes interest of ₹ 21.17 crores (P.Y ₹ 39.76 crores)

Note: The above has been computed basis EAD for credit impaired advances.

(xvii). Disclosure of Complaints:

Particulars	FY 2022-23	FY 2021-22
i. Number of complaints pending at the beginning of year	172	54
ii. Number of complaints received during the year	10,213	14,096
iii. Number of complaints redressed during the year	10,335	13,978
iv. Number of complaints pending at the end of the year	50	172

Maintainable complaints received by the NBFC from Office of Ombudsman

Particulars	FY 2022-23	FY 2021-22
Number of maintainable complaints received by the NBFC from Office of Ombudsman	595	578
a. number of complaints resolved in favour of the NBFC by Office of Ombudsman	591	578
b. number of complaints resolved through conciliation/mediation / advisories issued by Office of Ombudsman	2	0
c. number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	2	0
d. Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Top five grounds of complaints received by the NBFCs 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 the above number of complaints pending beyond 30 days
1	2	3	4	5	6
	Current Year				
Waiver/Refund	62	4,081	-20.59%	14	-
CIBIL Updation	-	2,196	2453.49%	1	-
Payments	8	757	-38.15%	6	-
Collections	8	670	-55.33%	7	-
Branch Experience	5	566	54.64%	11	-
Others	89	1,943	-66.39%	11	-
Total	**172**	**10,213**		**50**	-
	Previous Year				
Waiver/Refund	28	5,139	31.90%	62	-
CIBIL Updation	1	86	86.96%	-	-
Payments	-	1,224	4433.33%	8	-
Collections	3	1,500	167.86%	8	-
Branch Experience	-	366	65.61%	5	-
Others	22	5,781	127.51%	89	-
Total	**54**	**14,096**		**172**	-

Note:

(i) The above includes not only complaints but also queries received from the customers for the various grounds as mentioned above.

(ii) CIBIL updation includes 2096 queries/complaints in FY 2022-23 (P.Y Nil) received from the customers onboarded by Fintech Partners.

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(xviii) Disclosure of restructured accounts:

Details for FY 2022-23

(₹ in crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2022 (opening figures)*	No. of borrowers	-	-	-	-	-	3,209	451	6	980	4,646	4,646
		Amount outstanding	-	-	-	-	-	203.46	109.12	0.41	37.21	350.20	350.20
		Provision thereon	-	-	-	-	-	34.89	43.36	0.21	29.71	108.17	108.17
2	Fresh restructuring during the year 2022-2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY 2022-2023[1]	No. of borrowers	-	-	-	-	-	4	(3)	1	(2)	-	-
		Amount outstanding	-	-	-	-	-	0.05	(0.05)	0.01	(0.01)	-	-
		Provision thereon	-	-	-	-	-	0.01	(0.01)	0.01	(0.01)	(0.00)	(0.00)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(12.34)	(0.21)	-	(0.02)	(12.57)	(12.57)
		Provision thereon	-	-	-	-	-	(0.47)	0.34	-	(0.01)	(0.14)	(0.14)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2022 and hence need not be shown as restructured standard advances at the beginning of the next FY 2023	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2022-2023[1]	No. of borrowers	-	-	-	-	-	(205)	26	3	176	-	-
		Amount outstanding	-	-	-	-	-	(9.07)	2.59	0.43	6.04	-	-
		Provision thereon	-	-	-	-	-	(1.49)	0.33	0.05	1.12	(0.00)	(0.00)
7	Fully recovered / Write-offs of restructured accounts during the FY 2022-2023	No. of borrowers	-	-	-	-	-	(2,662)	(424)	(6)	(937)	(4,029)	(4,029)
		Amount outstanding	-	-	-	-	-	(161.53)	(108.86)	(0.57)	(38.22)	(309.18)	(309.18)
		Provision thereon	-	-	-	-	-	(29.22)	(41.81)	(0.11)	(26.74)	(97.88)	(97.88)
8	Restructured Accounts as on March 31 of the FY 2023(closing figures*)	No. of borrowers	-	-	-	-	-	346	50	4	217	617	617
		Amount outstanding	-	-	-	-	-	20.57	2.60	0.28	5.01	28.46	28.46
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	3.72	2.20	0.15	4.08	10.15	10.15

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1] PD & LGD rate of last year has been considered for calculation

[2] For accounts which have transitioned from one asset category to another, Mar'22 provision has been considered for previous asset category and Mar'23 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

No. of Accounts Restructured	Amount (₹ in crores)
346	20.57

Details for FY 2021-22

(₹ in crores)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total
	Asset Classification		Standard	Sub-Standard	Doubt-ful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2021 (opening figures)*	No. of borrowers	-	-	-	-	-	4,062	12	23	708	4,805	4,805
		Amount outstanding	-	-	-	-	-	232.32	0.55	17.74	26.61	277.21	277.21
		Provision thereon	-	-	-	-	-	21.40	0.43	8.80	22.50	53.13	53.13
2	Fresh restructuring during the year 2021-2022	No. of borrowers	-	-	-	-	-	867	105	-	115	1,087	1,087
		Amount outstanding	-	-	-	-	-	47.20	85.21	-	5.10	137.52	137.52
		Provision thereon	-	-	-	-	-	7.46	38.44	-	4.16	50.06	50.06
3	Upgradations to restructured standard category during the FY 2021-2022[2]	No. of borrowers	-	-	-	-	-	60	8	(2)	(66)	-	-
		Amount outstanding	-	-	-	-	-	3.58	0.42	(0.34)	(3.19)	0.48	0.48
		Provision thereon	-	-	-	-	-	0.62	0.16	(0.16)	(2.65)	(2.03)	(2.03)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	13.62	-	(0.00)	0.03	13.64	13.64
		Provision thereon	-	-	-	-	-	15.64	-	0.01	(0.23)	15.42	15.42
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2021 and hence need not be shown as restructured standard advances at the beginning of the next FY 2022	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2021-2022[2]	No. of borrowers	-	-	-	-	-	(931)	334	-	597	-	-
		Amount outstanding	-	-	-	-	-	(46.65)	23.34	-	25.91	2.60	2.60
		Provision thereon	-	-	-	-	-	(4.22)	4.64	-	20.67	21.08	21.08
7	Fully recovered / Write-offs of restructured accounts during the FY 2021-2022	No. of borrowers	-	-	-	-	-	(849)	(8)	(15)	(374)	(1,246)	(1,246)
		Amount outstanding	-	-	-	-	-	(46.62)	(0.40)	(16.99)	(17.25)	(81.25)	(81.25)
		Provision thereon	-	-	-	-	-	(6.01)	(0.31)	(8.43)	(14.74)	(29.49)	(29.49)
8	Restructured Accounts as on March 31 of the FY 2022(closing figures*)	No. of borrowers	-	-	-	-	-	3,209	451	6	980	4,646	4,646
		Amount outstanding	-	-	-	-	-	203.46	109.12	0.41	37.21	350.20	350.20
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	34.89	43.36	0.21	29.71	108.17	108.17

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]PD & LGD rate of last year has been considered for calculation

[2]For accounts which have transitioned from one asset category to another, Mar'21 provision has been considered for previous asset category and Mar'22 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019

No. of Accounts Restructured	Amount (₹ in crores)
3209	203.46

(xix) Asset Classification (₹ in crores)

Particulars	Outstanding Balance	Provision
Standard Assets	14,377.42 (12,822.01)	392.62 (404.42)
Sub-Standard Assets	181.12 (285.21)	94.36 (127.04)
Doubtful Assets	14.44 (120.99)	11.51 (72.87)
Loss Assets	6.93 -	6.93 -

Note:

a. ECL provisioning for Stage 1,2 & SICR of ₹ 392.62 crores (P.Y ₹ 404.42 crores) consists of interest accrued but not due and Interest overdue of ₹ 42.99 crores (P.Y ₹ 46.16 crores).

b. Asset classification is as per Reserve Bank of India guidelines and provision is as per Expected Credit Loss methodology as per IND AS which is higher than the minimum required as per prudential norms.

c. As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets Classification & Provisioning, there is no requirement to create Impairement allowance.

d. Figures in bracket represent previous year's figures.

(xx) Particulars as per RBI Directions as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid: (₹ in crores)

Particulars	March 31, 2023				March 31, 2022			
	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total
Liability side:								
a) Debentures								
Secured	2,771.48	111.51	-	2,882.99	2,475.10	109.46	-	2,584.55
Unsecured (other than falling within the meaning of public deposits)	1,567.97	91.54	-	1,659.51	1,304.74	64.90	-	1,369.64
(b) Deferred credits	-	-	-	-	-	-	-	-
(c) (i)Term loans from Banks	8,513.20	6.96	-	8,520.16	6,706.39	7.83	-	6,714.22
(ii)Term loans from Financial Institutions	819.39	6.50	-	825.88	753.89	5.39	-	759.28
(ii)Secured Medium Term Notes	2,250.99	60.11	-	2,311.10	2,445.03	75.70	-	2,520.73
(d) Inter-corporate loans and borrowings	-	-	-	-	-	-	-	-
(e) Commercial Paper	-	-	-	-	0.00	-	-	0.00
(f) Other Loans (Overdraft)	620.75	-	-	620.75	320.09	0.05	-	320.14
(g) Securitisation	560.10	-	-	560.10	1,977.42	-	-	1,977.42
Total	**17,103.87**	**276.62**	**-**	**17,380.49**	**15,982.66**	**263.33**	**-**	**16,245.99**

2. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets side (Gross Value)		
(a) Secured	12,360.44	11,478.47
(b) Unsecured	2,694.10	2,000.90
Total	**15,054.54**	**13,479.37**

Note: The above include overdue principal.

3. Break- up of leased assets and stock on hire and other assets counting towards AFC activities: (₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(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 AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

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4. Break-up of Investments (Net of Provisions):

(₹ in crores)

Particulars	As at March 31,2023	As at March 31,2022
Current Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	138.09	-
(iii) Units of mutual funds	0.00	0.00
(iv) Government Securities	5.04	-
(v) Others (Certificate of Deposits)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Total (A)	**143.13**	**0.00**
Long Term 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 of subsidiary companies	1,907.81	1,410.33
(b) Preference of subsidiary companies	-	-
(c) Preference of other companies	38.17	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others		
(a) Security Receipts	1,049.24	83.30
(b) Alternative Investment Funds	641.33	955.22
Total (B)	**3,636.56**	**2,448.85**
Grand Total (A+B)	**3,779.69**	**2,448.85**

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5. Borrower Group-wise Classification of all assets financed as in (2) and (3) above: (₹ in crores)

Category	As at March 31,2023			As at March 31,2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties	-	**0.14**	**0.14**	-	**0.20**	**0.20**
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	0.14	0.14	-	0.20	0.20
2. Other than related parties	12,360.44	2,693.96	15,054.40	11,478.47	2,000.69	13,479.17
Total	**12,360.44**	**2,694.10**	**15,054.54**	**11,478.47**	**2,000.90**	**13,479.37**

*Including Interest etc of ₹ 1,006.66 crores (P.Y ₹ 854.31 crores)

6. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted) :

(₹ in crores)

Category	As at March 31,2023		As at March 31,2022	
	Market Value Breakup or fair value or NAV	Book value (Net of provisions)	Market Value Breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties				
a) Subsidiaries*	1,907.81	1,907.81	1,410.33	1,410.33
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	1,871.88	1,871.88	1,038.52	1,038.52
Total	**3,779.69**	**3,779.69**	**2,448.85**	**2,448.85**

* Includes investments in equity shares of subsidiaries carried at cost and fair value is not disclosed

7. Other Information: (₹ in crores)

Particulars	As at March 31,2023	As at March 31,2022
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties*	202.49	406.21
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	89.69	206.30
(iii) Assets acquired in satisfaction of debt (Fair Value)	164.40	138.43

* Includes Interest of ₹ 21.17 crores (P.Y ₹ 39.76 crores)

(xxi) Particulars as per RBI Directions for auction details (As required in terms of paragraph 27 (4)(d) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

Particulars	March 31,2023	March 31,2022
Number of gold loan accounts	82,080	3,09,450
Outstanding amount (₹ crores)	438.35	2,114.90
Amount recovered in auction (₹ crores)	449.16	2,087.52

None of the group companies have participated in the above auctions. The above details have been compiled by the Management and relied upon by the auditors.

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45. Unhedged Foreign Currency Exposure:

The unhedged foreign currency exposure as on March 31, 2023 is Nil (P.Y Nil).

46. Gold Loan Portfolio

As on March 31, 2023 the gold loan portfolio comprises 34.59 % (P.Y. 32.61 %) of the total assets of the Company.

47. Segment Reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the IND AS 108 on 'Segment Reporting'.

48. Shared services

The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

49. Fraud

During the year under review, the Company had come across frauds totaling to ₹ 4.24 Crores (P.Y. ₹ 11.88 Crores) in respect of its lending operations. Out of the above, frauds amounting to ₹ 0.27 Crores (P.Y. ₹ 1.39 Crores) has already been recovered. Suitable action has been taken by the Company to recover the balance amounts.

50. 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 March 31, 2023	Maximum Outstanding during the year
5paisa Capital Limited	-	400.00
IIFL Securities Limited	-	400.00
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	100.00

(₹ in crores)

Name of Related Party	Outstanding as on March 31, 2022	Maximum Outstanding during the year
5paisa Capital Limited	-	350.00
IIFL Management Services Limited	-	50.00
IIFL Home Finance Limited	-	779.00
IIFL Securities Limited		540.00
IIFL Facilities Services Limited	-	462.00
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	350.00

51. Disclosure pursuant to SEBI Circular no. SEBI/HO/DDHS/P/CIR/2021/613 August 10, 2021 dated August 10, 2021 (updated as on April 13, 2022) for fund raising by issuance of debt securities by large entities:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding borrowing	17,380.49	16,245.99
Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd

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(₹ in crores)

Details of the borrowings	FY 2022-23	FY 2021-22
i. 2 years block period	FY 2022-2023 and FY 2023-2024	FY 2021-2022 and FY 2022-2023
ii. Incremental borrowing done (a)	4,273.11	5,212.99
iii. Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	1,068.28	1,303.25
iv. Actual borrowings done through debt securities in FY (c)	1,473.11	1,562.99
v. Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) (If the calculated value is zero or negative, write "nil")	Nil	Nil
vi. Reasons for short fall, if any, in mandatory borrowings through debt securities	N.A.	N.A

52. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings):

(₹ in crores)

Number of Significant Counterparties	Amount*	% of Total Deposits	% of Total Liabilities
14	9,761	NA	51.46%
(16)	(8,006)	(NA)	(42.79%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(ii) Top 20 large deposits N.A (N.A)

(iii) Top 10 borrowings:

Particulars	Amount *	% of Total Borrowings
Top 10 Borrowings (₹ in crores)	8,797.40	50.62%
	(6,515.71)	(40.11%)

* The above table excludes details of benefeciary holders of the secured medium term note bonds

(iv) Funding Concentration based on significant instrument/product:

(₹ in crores)

Name of the instrument/product	Amount	% of Total Liabilities
Non Convertible Debentures	6,853.60	36.13%
	(6,474.92)	(34.61%)
Term Loans	9,346.05	49.27%
	(7,473.55)	(39.95%)
Securitisation	560.10	2.95%
	(1,977.42)	(10.57%)
Commercial Paper	-	-
	0.00	(0.00%)
Cash Credit / Overdraft Facilties	620.75	3.27%
	(320.09)	(1.71%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(v) Stock Ratios:

Particulars	As at March 31, 2023	As at March 31, 2022
Commercial papers as a % of total liabilities	Nil	Nil
Commercial papers as a % of total assets	Nil	Nil
Commercial papers 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
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Other short-term liabilities* as a % of total liabilities	6.86%	10.83%
Other short-term liabilities* as a % of total assets	5.40%	8.76%
*Other short-term liabilities as a % of total public funds	7.49%	12.47%

* Short Term liabilities means total of current liabilities as per note 44.1 & 44.2 to the financial statements as reduced by current portion of Debt Securities,Borrowings (other than debt securities) and Subordinated Liabilities.

(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.

Note: Figures in bracket represent previous year's figures.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

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

53. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020:

As on March 31, 2023

(₹ in crores)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	13,174.92	474.39	13,649.31	331.15	43.02	374.17	13,275.14	54.74	319.42
	Stage 2	691.63	36.47	728.11	16.30	2.15	18.45	709.66	2.77	15.68
Subtotal		13,866.55	510.86	14,377.42	347.45	45.17	392.62	13,984.80	57.51	335.11
Non Performing Assets (NPA).										
Substandard (Sub- Total -(A))	Stage 3	165.05	16.07	181.12	78.29	16.07	94.36	86.76	19.39	74.97
Doubtful										
Upto 1 Year	Stage 3	4.31	0.66	4.97	2.43	0.66	3.09	1.88	2.43	0.66
1 to 3 years	Stage 3	2.69	0.80	3.49	2.09	0.80	2.89	0.60	2.03	0.87
More than 3 years	Stage 3	3.15	2.83	5.98	2.70	2.83	5.53	0.45	2.50	3.03
Doubtful (Sub- Total -(B))		10.15	4.29	14.44	7.23	4.29	11.51	2.93	6.96	4.55
Loss (Sub- Total -(C))	Stage 3	6.13	0.81	6.93	6.13	0.81	6.93	-	6.13	0.81
Subtotal of NPA (Sub- Total -(A+B+C))		181.33	21.17	202.49	91.64	21.17	112.81	89.69	32.47	80.33
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-
Total	Stage 1	13,174.92	474.39	13,649.31	331.15	43.02	374.17	13,275.14	54.74	319.42
	Stage 2	691.63	36.47	728.11	16.30	2.15	18.45	709.66	2.77	15.68
	Stage 3	181.33	21.17	202.49	91.64	21.17	112.81	89.69	32.47	80.33
	Total	14,047.88	532.03	14,579.91	439.08	66.34	505.42	14,074.48	89.98	415.44

As on March 31, 2022

(₹ in crores)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as per required under Ind AS 109 (4)			Net Carrying Amount	Provision Required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
		Principal	Others	Total	Principal	Others	Total	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Standard	Stage 1	11,511.13	529.19	12,040.33	300.61	51.64	352.25	11,688.08	82.30	269.95
	Stage 2	747.48	34.20	781.68	48.65	3.52	52.17	729.52	2.99	49.18
Subtotal		12,258.62	563.39	12,822.01	349.25	55.16	404.42	12,417.59	85.29	319.13
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	272.51	12.70	285.21	114.33	12.70	127.04	158.17	30.45	96.59
Doubtful										
Upto 1 Year	Stage 3	77.36	20.62	97.98	32.65	20.62	53.27	44.71	16.82	36.44
1 to 3 years	Stage 3	14.38	3.01	17.40	11.11	3.01	14.13	3.27	5.34	8.79
More than 3 years	Stage 3	2.20	3.42	5.62	2.05	3.43	5.48	0.14	2.12	3.36
Doubtful (Sub- Total -(B))		93.94	27.06	120.99	45.81	27.06	72.87	48.12	24.27	48.60
Loss (Sub- Total -(C))	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal of NPA (Sub- Total -(A+B+C))		366.44	39.76	406.20	160.15	39.76	199.91	206.29	54.73	145.18
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-
		-								
Total	Stage 1	11,511.13	529.19	12,040.33	300.61	51.64	352.25	11,688.08	82.30	269.95
	Stage 2	747.48	34.20	781.68	48.65	3.52	52.17	729.52	2.99	49.18
	Stage 3	366.44	39.76	406.20	160.15	39.76	199.91	206.29	54.73	145.18
	Total	12,625.06	603.15	13,228.21	509.40	94.92	604.33	12,623.89	140.01	464.32

54. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated Nov 04, 2019:

Liquidity Risk Management Framework

As on March 31, 2023

(₹ 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 September 30, 2022 Total Unweighted Value (average)	As at September 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)**	**1,354.90**	**1,354.90**	**806.09**	**806.09**	**1,111.46**	**1,111.46**	**1,596.15**	**1,596.15**
	Cash and Bank Balance	1,131.52	1,131.52	298.76	298.76	686.62	686.62	1,484.71	1,484.71
	Unencumbered Fixed Deposits	73.62	73.62	352.03	352.03	124.89	124.89	111.43	111.43
	Investments	149.76	149.76	155.30	155.30	299.95	299.95	-	-
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	15.65	18.00	20.87	24.00	-	-
4	Secured wholesale funding	461.24	530.42	175.44	201.75	203.73	234.29	320.87	369.00
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	412.64	474.54	461.13	530.30	608.92	700.26	713.61	820.65
6	Other contractual funding obligations	1,561.66	1,795.91	1,130.72	1,300.33	1,223.74	1,407.30	1,177.65	1,354.29
8	**Total Cash outflows**	**2,435.54**	**2,800.87**	**1,782.94**	**2,050.38**	**2,057.26**	**2,365.85**	**2,212.13**	**2,543.94**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,885.47	1,414.10	1,130.97	848.23	1,038.19	778.64	900.21	675.16
11	Other cash inflows	1,022.54	766.91	1,181.02	885.76	1,321.13	990.85	1,683.08	1,262.31
12	**Total Cash Inflows**	**2,908.01**	**2,181.01**	**2,311.99**	**1,733.99**	**2,359.32**	**1,769.49**	**2,583.29**	**1,937.47**

			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		1,354.90		806.09		1,111.46		1,596.15
14	Total Net Cash Outflows		700.22		512.60		596.35		635.99
15	Liquidity Coverage Ratio(%)		193.50%		157.26%		186.38%		250.97%

As on March 31, 2022

(₹ 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)	As at September 30, 2021 Total Unweighted Value (average)	As at September 30, 2021 Total Weighted Value (average)	As at June 30, 2021 Total Unweighted Value (average)	As at June 30, 2021 Total Weighted Value (average)
1	Total High Quality Liquid Assets (HQLA)	1,353.09	1,353.09	1,398.91	1,398.91	660.92	660.92	669.26	669.26
	Cash and Bank Balance	1,037.52	1,037.52	1,187.65	1,187.65	618.14	618.14	331.03	331.03
	Unencumbered Fixed Deposits	315.58	315.58	211.26	211.26	42.78	42.78	338.22	338.22
		-	-	-	-	-	-	-	-
	Cash Outflows	-	-	-	-	-	-	-	-
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	32.61	37.50	484.24	556.88	-	-
4	Secured wholesale funding	272.58	313.47	261.88	301.17	112.34	129.19	218.03	250.73
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	649.39	746.80	376.21	432.65	219.10	251.97	99.64	114.58
6	Other contractual funding obligations	1,785.79	2,053.66	1,968.24	2,263.48	1,891.50	2,175.23	1,883.53	2,166.05
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**2,707.76**	**3,113.93**	**2,638.95**	**3,034.79**	**2,707.18**	**3,113.26**	**2,201.19**	**2,531.37**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,093.53	820.15	1,298.16	973.62	2,415.37	1,811.53	1,203.80	902.85
11	Other cash inflows	1,510.94	1,133.21	1,307.14	980.35	1,039.13	779.35	969.23	726.93
12	**Total Cash Inflows**	**2,604.47**	**1,953.35**	**2,605.29**	**1,953.97**	**3,454.50**	**2,590.87**	**2,173.03**	**1,629.77**

			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		1,353.09		1,398.91		660.92		669.26
14	Total Net Cash Outflows		1,160.58		1,080.82		778.31		901.60
15	Liquidity Coverage Ratio(%)		116.59%		129.43%		84.92%		74.23%

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 implemented the LCR framework and has maintained LCR well above the regulatory threshold.

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.

55. Disclosure pursuant to (Securitisation of Standard Assets) Reserve Bank of India Circular no./Directions, 2021 RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - September 24, 2021

(₹ in crores)

Sr. No.	Particulars	As on 31st March 2023	As on 31st March 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	2	12
2	Total amount of securitised assets as per books of the SPEs	564.26	1,989.23
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
	Other amount of Securtised assets as per the books of SPV sponsored by the company	-	-
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
4	**Amount of exposures to securitisation transactions other than MRR**	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	52.80	226.73
	• Others	80.00	238.56
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	1,682.00
6	Outstanding value of services provided by way of post-securitisation asset servicing.	0.02	0.22
7	Performance of facility provided:-		
	Credit enhancement		
	(a) Amount paid	52.80	226.73
	(b) Repayment received	Nil	Nil
	(c) Outstanding amount	52.80	226.73
	% of total value of facility provided	6.60%	7.09%
8	Average default rate of portfolios observed in the past.	Nil	Nil
9	Amount and number of additional/top up loan given on same underlying asset.	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 020 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

56. Disclosure pursuant to Reserve Bank of India Circular no. 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:

As at March 31, 2023 (₹ in crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	7.24	1.64	4.55	0.58	0.46
Corporate Loans *	200.49	7.61	155.84	16.99	20.06
of which, MSME's	189.36	7.02	150.00	16.03	16.32
Others	0.29	-	0.21	0.04	0.04
Total	**208.03**	**9.25**	**160.60**	**17.61**	**20.57**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As at March 31, 2022 (₹ in crores)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	4.59	1.72	1.13	0.44	7.24
Corporate Loans *	390.98	46.15	50.19	182.43	200.49
of which, MSME's	222.77	46.13	46.78	20.19	189.36
Others	0.53	0.08	-	0.28	0.29
Total	**396.10**	**47.95**	**51.32**	**183.15**	**208.03**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

57. Disclosure pursuant to (Transfer of Loan Exposures) Reserve Bank of India Circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

For FY-2022-23

(a) Details of transferred through assignment in respect of loans not in default:

Particulars	FY 2022-23
Count of Loan accounts assigned	11,10,696
Amount of loan accounts assigned (₹ in crores)	11,181.28
Weighted average maturity (in months)	18
Weighted average holding period (in months)	3
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated
Break-up of loans transferred / acquired through assignment / novation and loan participation	All Assignment deals
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil

(b) Details of stressed loans transferred during the year: (₹ in crores)

Particulars	As on 31st March 2023			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	6,391	9	-	-
Aggregate principal outstanding of loans transferred	245.90	631.38	-	-
Weighted average residual tenor of the loans transferred	0.71	2.18	-	-
Net book value of loans transferred (at the time of transfer)	134.14	761.49	-	-
Aggregate consideration	885.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transfer	-	-	-	-

Note:- In addition to above, the company has transferred 6,359 additional loans which have been written off, having an amount outstanding of ₹ 150.5 Cr which were part of above consideration.

The company has not acquired any stressed loan during the year ended 31st Mar 2023.

(c) The Company has not acquired any stressed loan during the year and previous year.

(d) Details on recovery ratings assigned for Security Receipts (SR) as on 31st March, 2023:

Recovery Rating	Anticipated recovery as per recovery rating	Book Value (₹ in crores)
RR2^*	75% - 100%	325.40
RR2^	75% - 100%	488.82
RR1^	100% - 150%	22.92
Unrated #	100% - 150%	212.50
Total		**1,049.64**

^ Recovery rating is as assigned by external rating agency
# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.
* Fully provided for

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI

CHHAJED & DOSHI CHARTERED ACCOUNTANTS MUMBAI 400 069

LIMITED

For FY-2021-22

(a) Details of transferred through assignment in respect of loans not in default:

Particulars	FY 2021-22
Count of Loan accounts assigned	11,87,478
Amount of loan accounts assigned (₹ in crores)	9,674.03
Weighted average maturity (in months)	18
Weighted average holding period (in months)	4
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated
Break-up of loans transferred / acquired through assignment / novation and loan participation	All Assignment deals
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil

(b) Details of stressed loans transferred during the year:

(₹ in crores)

Particulars	As on 31st March 2022			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	2,938	1	-	-
Aggregate principal outstanding of loans transferred	299.26	45.00	-	-
Weighted average residual tenor of the loans transferred	2.15	2.75	-	-
Net book value of loans transferred (at the time of transfer)	249.99	59.71	-	-
Aggregate consideration	548.00		-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transfer	-	-	-	-

Note:- In addition to the above, the Company has transferred 6,332 additional loans which have been written off, having an amount outstanding of ₹ 1,234.27 crores which were part of above consideration.

(c) Details on recovery ratings assigned for Security Receipts (SR) as on 31st March, 2022:

Recovery Rating^	Anticipated recovery as per recovery rating	Book Value (₹ in crores)
RR1*	100%-150%	362.09
Unrated #	-	83.30
Total	-	**445.39**

^ Recovery rating is as assigned by external rating agency
# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.
* Fully provided for

58. Intra-group Exposures

(₹ in crores)

Particulars	FY 2022-23	FY 2021-22
Total amount of intra-group exposures	2,497.49	2,257.26
Total amount of top 20 intra-group exposures	2,497.49	2,257.26
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	17.61%	15.98%

59. Disclosure required under Part B of Section I of RBI circular RBI/2022-23/26 - DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 - "Related Party Disclosure" is covered under note no. 42, 42.1 and 42.2 of the notes to financial statements.

60. Wherever amount is less than ₹ 0.01 crores, shown as ₹ 0.00.

61. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Arun Kumar Purwar
Chairman & Independent Director
DIN : 00026383

Nirmal Jain
Managing Director
DIN : 00010535

Rajesh Jain
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 26, 2023

IIFL Finance Limited

Consolidated Financial Statements

as on 31st March, 2022

(₹ in Millions)

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Finance Limited
Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of IIFL Finance Limited (hereinafter referred to as the 'Holding Company") its subsidiary companies and trusts with residual beneficial interest (the Holding Company , its subsidiaries and trusts with residual beneficial interest together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2022, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity (including Other Comprehensive Income) and the consolidated Cash Flows statement for the year then ended, and notes to the consolidated Financial Statements, including a summary of 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 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of consolidated profit, of consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 8.3 to the Consolidated Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters for the Group. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No	Key Audit Matter	Response to Key Audit Matter
1	**Information technology (IT) systems used in financial reporting process.** The Group's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Group.	We obtained an understanding of the Group's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Group's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**<u>Impairment of Financial Assets held at amortised cost:</u>** Since the loans and advances form a major portion of the Group's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions. this is considered to be a key audit matter. The Group's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding. We assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

Sr.No	Key Audit Matter	Response to Key Audit Matter
	- Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. Refer note 37A.3 to the Financial Statements.	

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis report, but does not include the consolidated financial statements, standalone 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 the assets of the Group 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 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 the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company 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 are responsible for overseeing the financial reporting process of the Company.

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, 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 financial controls 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 and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system 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 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 current period 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 Matters

The financial statements of 3 wholly owned subsidiary companies have been audited by other auditors. The financial statements of 2 subsidiary trusts have been audited by one of the joint statutory auditors of the Holding company. The financial statements of the said subsidiary companies and trusts reflect total assets of Rs. 244,170.99 million as at March 31, 2022, Group's share of total revenue of Rs. 33,035.96 million, Group's share of total net profit of Rs. 5,178.68 million and Group's share of total comprehensive income of Rs. 5,369.44 million and net cash inflows Rs. 12,927.42 million for the year ended on the date as considered in the consolidated financial statements. The reports of auditors of the said subsidiary companies and trusts 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 these subsidiary companies and trusts, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors/ reports of one of the joint statutory auditors of the Holding Company.

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 with respect to our reliance on the work done and the reports of the other auditors.

The Consolidated Financial Statements of the company for the previous year ended March 31,2021 were audited by one of the current joint statutory auditors who had expressed unmodified opinion vide their report dated May 06,2021.

Report on Other Legal and Regulatory Requirements

1. 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 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.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

   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 holding Company and its subsidiary incorporated in India to its managing director during the year is in accordance with the provisions of section 197 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38 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 Holding Company and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Holding Company, its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Holding Company, its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company, its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) In our opinion and based on the audit procedures we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company, its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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 dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Companies Act, 2013.

CHHAJED & DOSHI MUMBAI CHARTERED ACCOUNTANTS

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report Order, 2020 (the "Order"/ "CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the statutory auditors of the three subsidiary companies which are companies incorporated in India, included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For V Sankar Aiyar & Co. **Chartered Accountants** **(FRN: 109208W)** **G. Sankar** **Partner** **M. No.046050** **Place: Mumbai** **Date: April 28, 2022** **UDIN: 22046050AHZCTN1085**	**For Chhajed & Doshi** **Chartered Accountants** **(FRN: 101794W)** **M. P. Chhajed** **Partner** **M. No. 049357** **Place: Mumbai** **Date: April 28, 2022** **UDIN: 22049357AHZGMJ7348**

Annexure to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Finance Limited on the consolidated accounts for the year ended 31st March 2022

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 over financial reporting of IIFL Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (hereinafter collectively referred to as "the Group") as of March 31st, 2022, which are Companies incorporated in India, as of that date

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are 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 ("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, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company which are incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company which are incorporated in India, 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 over financial reporting of the Holding Company and its subsidiary company which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other matters paragraph below , the Holding Company and subsidiary company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For V Sankar Aiyar & Co. **Chartered Accountants** **(FRN: 109208W)** **G. Sankar** **Partner** **M. No.046050** **Place: Mumbai** **Date: April 28, 2022** **UDIN: 22046050AHZCTN1085**	**For Chhajed & Doshi** **Chartered Accountants** **(FRN: 101794W)** **M. P. Chhajed** **Partner** **M. No. 049357** **Place: Mumbai** **Date: April 28, 2022** **UDIN: 22049357AHZGMJ7348**

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ in millions)

Sr. No	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	4	62,116.40	26,429.02
(b)	Bank balance other than (a) above	5	19,452.94	21,411.54
(c)	Derivative financial instruments	6	742.81	503.87
(d)	Receivables			
	(I) Trade receivables	7	1,831.95	1,922.77
	(II) Other receivables	7	158.00	5.10
(e)	Loans	8	336,928.94	335,331.60
(f)	Investments	9	11,921.61	315.71
(g)	Other financial assets	10	9,237.85	4,903.70
			442,390.50	**390,823.31**
[2]	**Non-financial assets**			
(a)	Current tax assets (net)		2,341.66	2,628.37
(b)	Deferred tax assets (net)	11	2,858.11	3,111.43
(c)	Investment property	12	2,951.94	2,710.60
(d)	Property, plant and equipment	13	1,505.22	1,042.92
(e)	Capital work-in-progress	13.1	56.44	65.61
(f)	Right to use assets	14	3,275.30	2,985.99
(g)	Other intangible assets	15	21.12	11.45
(h)	Other non-financial assets	16	3,525.95	3,150.01
(i)	Assets held for sale	17	175.51	139.46
			16,711.25	**15,845.84**
	Total Assets		**459,101.75**	**406,669.15**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6	1,643.91	1,565.76
(b)	Payables			
	(I)Trade payables	18		
	(i) total outstanding dues of micro enterprises and small enterprises			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,424.27	1,093.91
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		99.06	-
(c)	Finance lease obligation	14	3,606.78	3,265.02
(d)	Debt securities	19	78,380.78	83,303.50
(e)	Borrowings (other than debt securities)	20	253,190.28	216,243.58
(f)	Subordinated liabilities	21	25,680.49	23,019.28
(g)	Other financial liabilities	22	28,206.34	20,913.77
			392,231.91	**349,404.82**
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		502.09	1,024.39
(b)	Provisions	23	641.07	495.75
(c)	Other non-financial liabilities	24	1,029.43	1,809.95
			2,172.59	**3,330.09**
	Total Liabilities		**394,404.50**	**352,734.91**
[3]	**Equity**			
(a)	Equity share capital	25	759.20	757.68
(b)	Other equity	25.1	63,879.09	53,117.45
(c)	Non-controlling interest	25.1	58.96	59.11
			64,697.25	**53,934.24**
	Total Liabilities and Equity		**459,101.75**	**406,669.15**
	See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman
R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in millions)

Sr. No	Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
(i)	Interest income	26.1	61,948.69	54,212.05
(ii)	Dividend income	26.2	0.01	59.44
(iii)	Fees and commission income	27	1,531.99	1,112.55
(iv)	Net gain on fair value changes	28	770.69	1,716.05
(v)	Net gain on derecognition of financial instruments under amortised cost category	31	4,112.27	1,297.66
(I)	**Total revenue from operations**		**68,363.65**	**58,397.75**
(II)	Other income	29	1,699.14	1,499.14
(III)	**Total Income (I+II)**		**70,062.79**	**59,896.89**
	Expenses			
(i)	Finance costs	30	29,910.05	26,258.27
(ii)	Net loss on derecognition of financial instruments under amortised cost category	31	9,042.17	6,482.98
(iii)	Impairment on financial instruments	32	(167.40)	5,203.35
(iv)	Employee benefits expenses	33	9,307.33	7,230.91
(v)	Depreciation, amortisation and impairment	12, 13, 14 & 15	1,216.98	1,056.76
(vi)	Others expenses	34	5,393.82	3,616.78
(IV)	**Total Expenses (IV)**		**54,702.95**	**49,849.05**
(V)	**Profit before tax (III-IV)**		**15,359.84**	**10,047.84**
(VI)	**Tax expense:**			
	(1) Current tax	35	3,277.76	3,173.53
	(2) Deferred tax	11 & 35	193.84	(779.46)
	(3) Current tax expenses relating to previous years	36	5.74	45.67
	Total tax expense		**3,477.34**	**2,439.74**
(VII)	**Profit for the year (V-VI)**		**11,882.50**	**7,608.10**
	Attributable to:			
	Owners of the Company		11,878.93	7,601.18
	Non-controlling interest		3.57	6.92
(VIII)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit (liabilities)/assets	35	(0.35)	21.48
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 35	0.09	(5.41)
	Subtotal (A)		**(0.26)**	**16.07**
	(B) (i) Items that will be reclassified to profit or loss			
	(a) Cash flow hedge (net)	35	(13.04)	(338.79)
	(b) Fair value of loans carried at FVTOCI	35	136.53	(7.64)
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 35	(31.09)	87.19
	Subtotal (B)		**92.40**	**(259.24)**
	Other Comprehensive Income (A+B)		**92.14**	**(243.17)**
(IX)	**Total Comprehensive Income for the year**		**11,974.64**	**7,364.93**
	Attributable to:			
	Owners of the Company		11,971.12	7,358.03
	Non-controlling interest		3.52	6.90
(X)	**Earnings per equity share of face value ₹ 2 each**	36		
	Basic (₹)		31.33	20.09
	Diluted (₹)		31.14	20.04
	See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in millions)

Particulars	Notes	Year ended March 31, 2022		Year ended March 31, 2021	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**15,359.84**		**10,047.84**
Adjustments for:					
Depreciation, amortisation and impairment	12, 13, 14 & 15	1,216.98		1,056.76	
Impairment on loans	32	(81.59)		4,842.85	
Impairment on other financial instruments		(85.82)		360.49	
(Profit)/ loss on sale of assets		(3.29)		2.97	
(Gain)/Loss on termination - Ind AS 116		0.01		(9.81)	
Net (Gain)/ loss on fair value changes on investment - realised		(771.98)		(1,616.74)	
Net (Gain)/ loss on fair value changes on investment - unrealised		1.29		(97.86)	
Net (Gain)/ loss on derecognition of financial instruments under amortised cost		(4,112.27)		(1,297.66)	
Employee benefit expenses - share based		30.98		4.36	
Employee benefit expenses - others		123.01		157.38	
Interest on loans		(59,717.13)		(53,255.64)	
Interest on deposits with banks	26.1	(900.12)		(827.29)	
Dividend Income	26.2	(0.01)		(59.44)	
Finance cost		27,354.57		25,944.34	
Interest expenses - Ind AS 116	30	307.87		269.44	
Loss/(Gain) on buy back of debentures (net)		(7.86)		(7.06)	
Income received on loans		65,763.91		47,390.69	
Interest received on deposits with banks		879.13		858.95	
Finance cost paid		(30,261.74)	(264.06)	(25,972.17)	(1,655.44)
Operating profit before working capital changes			**15,095.78**		**8,392.40**
Decrease/ (increase) in financial and non financial assets		(225.91)		(2,476.44)	
Increase/ (decrease) in financial and non financial liabilities		6,214.61	5,988.70	10,433.74	7,957.30
Cash (used in)/ generated from operations			**21,084.48**		**16,349.70**
Taxes paid			(2,943.33)		(2,952.89)
Net cash (used in)/ generated from operating activities			**18,141.15**		**13,396.81**
Loans (disbursed)/ repaid (net)			(303.88)		(49,265.29)
Net cash (used in)/ generated from operating activities (A)			**17,837.27**		**(35,868.48)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(1,007.74)		(363.05)
Sale of property, plant and equipment and other intangible assets			11.72		20.25
Purchase of investment property			(245.14)		(63.08)
Proceeds from investments property			-		24.10
Proceeds/(Purchase) of investments			(10,752.26)		8,658.75
Dividend received			0.01		59.44
Proceeds/(Deposits) from maturity of deposits placed with Banks			2,035.46		(5,977.98)
Net cash (used in)/ generated from investing activities (B)			**(9,957.95)**		**2,358.43**
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share capital			86.04		45.59
Payment of Stamp duty			(83.40)		-
Dividend paid (including dividend distribution tax)			(1,328.20)		(1,136.87)
Proceeds from debt securities			29,103.19		31,011.80
Repayment of debt securities			(32,741.40)		(34,101.56)
Proceeds from borrowings (other than debt securities)			121,982.11		121,238.50
Repayment of borrowings (other than debt securities)			(91,239.86)		(72,693.40)
Proceeds from subordinated liabilities			7,058.23		6,708.60
Repayment of subordinated liabilities			(4,109.71)		(6,010.29)
Payment of lease liability			(918.94)		(779.31)
Net cash (used in)/ generated from financing activities (C)			**27,808.06**		**44,283.06**
Net increase in cash and cash equivalents (A + B + C)			**35,687.38**		**10,773.01**
Add : Opening cash and cash equivalents as at the beginning of the year			26,429.02		**15,656.01**
Cash and cash equivalents as at the end of the year	4		**62,116.40**		**26,429.02**
See accompanying notes forming part of the financial statements	1 - 47				

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Registration No. 101794W

G. Sankar
Partner
Membership No. 046050

M.P. Chhajed
Partner
Membership No. 049357

Place : Mumbai
Dated: April 28, 2022

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ in millions)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2022 (refer note 25)	757.68	1.52	759.20
As at March 31, 2021 (refer note 25)	756.68	1.00	757.68

B. Other Equity

(₹ in millions)

Particulars	Share Application Money (Note 1)	Reserves & Surplus: Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 (Note 6)	Capital Redemption Reserve (Note 7)	Debenture Redemption Reserve (Note 8)	Retained Earnings (Note 9)	Stock Compensation Reserve (Note 10)	Other Comprehensive Income: Effective portion of Cash Flow Hedges (Note 11)	Fair value of loans carried at FVTOCI	Remeasurements of defined benefit (Note 12)	Total	Non-Controlling Interest
Balance as at April 01, 2020	-	838.85	18,352.60	6,524.65	5,582.94	2,068.70	2,301.11	128.04	11,055.30	174.14	(130.62)	-	(52.66)	46,843.05	56.40
Profit for the year	-	-	-	-	-	-	-	-	7,601.18	-	-	-	-	7,601.18	6.92
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(253.52)	(5.72)	16.09	(243.15)	(0.01)
Interim dividend	-	-	-	-	-	-	-	-	(1,135.41)	-	-	-	-	(1,135.41)	(1.46)
Dividend distribution tax on interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in minority	-	-	-	-	-	-	-	-	2.73	-	-	-	-	2.73	(2.73)
Transfer to/ from reserves	-	-	12.62	6.82	819.59	405.00	-	-	(1,624.59)	(19.44)	-	-	-	(0.09)	
Addition during the year	-	-	44.59	-	-	-	-	-	0.10	4.36	-	-	-	49.05	
Balance as at March 31, 2021	-	838.85	18,409.81	6,531.47	6,402.53	2,473.70	2,301.11	128.04	15,899.11	159.06	(384.14)	(5.72)	(36.57)	53,117.45	59.11
Profit for the year	-	-	-	-	-	-	-	-	11,878.93	-	-	-	-	11,878.93	1.57
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(9.76)	102.16	(0.21)	92.19	(0.05)
Interim dividend	-	-	-	-	-	-	-	-	(1,328.20)	-	-	-	-	(1,328.20)	-
Share issue expenses	-	-	(83.40)	-	-	-	-	-	-	-	-	-	-	(83.40)	-
Change in minority	-	-	-	-	-	-	-	-	3.67	-	-	-	-	3.67	(3.67)
Transfer to/ from reserves	-	-	47.57	0.66	2,053.51	1,156.00	-	-	(3,126.57)	(48.22)	-	-	-	82.95	-
Addition during the year	-	-	84.52	-	-	-	-	-	-	32.95	-	-	-	115.50	-
Balance as at March 31, 2022	-	838.85	18,458.50	6,532.13	8,456.04	4,029.70	2,301.11	128.04	21,327.14	141.82	(393.90)	96.44	(36.78)	63,879.00	58.96

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Notes:

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.

2. **Capital Reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.

3. **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve (including debenture premium). Total additions to Securities Premium is after netting of share issue expenses.

4. **General Reserve:** The reserve can be distributed/utilised by the Group, in accordance with the Companies Act, 2013

5. **Special Reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act 1934, being 20% of the profit after tax for the year of IIFL Finance Limited and Samasta Microfinance Limited has been transferred from Retained Earnings to Special Reserve.

6. **Special Reserve:** Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared.

7. **Capital Redemption Reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.

8. **Debenture Redemption Reserve:** Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance Company ("NBFC") and Housing Finance Company ("HFC") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.

9. **Retained Earnings:** These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.

10. **Stock Compensation Reserve:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

11. **Effective portion of Cash Flow Hedges:** This reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash flow Hedge.

12. **Remeasurements of defined benefit:** This reserve 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.

See accompanying notes forming part of the financial statements (1 - 47)

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

Note 1. CORPORATE INFORMATION

Company overview

IIFL Finance Limited (the "Company/ Parent/ Holding Company") is a Systemically Important Non-Banking Financial Company not accepting public deposits ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on Mar 12, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities loans to small & medium enterprise ("SME"), Micro finance loans ("MFI")and digital finance loans.

Note 2. Basis of consolidation

i. Basis of preparation of financial statements

The consolidated financial statements relates to IIFL Finance Limited (the "Company") and its subsidiary/group companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Company has:

- 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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Holding Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The consolidated financial statements of the Group have been prepared in accordance with the Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("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 below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

MUMBAI 400 052 CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

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").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Group 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 for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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 not traded in active market) 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.

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 consolidated financial statements of the subsidiary 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 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) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

f) Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortisation but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment.

Any impairment loss on goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised on goodwill is not reversed in subsequent periods.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary 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. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements. Goodwill arising on consolidation is not amortised but tested for impairment.

CHARTERED ACCOUNTANTS MUMBAI 400 059 · IIFL FINANCE LIMITED · V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

g) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

h) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2022, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2022 of following subsidiaries are included in consolidation:

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary	
			As at March 31, 2022	As at March 31, 2021
IIFL Home Finance Limited (HFC)	Direct Subsidiary	India	100%	100%
IIFL Samasta Microfinance Limited (Formerly Samasta Microfinance Limited) (Samasta)	Direct Subsidiary	India	99.41%	99.09%
IIHFL Sales Limited	Step down Subsidiary	India	100%	100%
Eminent Trust October 2019	Trust with Residual Beneficial Interest	India	N.A	N.A
Eminent Trust November 2019	Trust with Residual Beneficial Interest	India	N.A	N.A

iv. 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, judgments 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.

v. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") and National Housing Bank ("NHB"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations require a different treatment.

vi. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies ("NBFC"). 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 consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI and NHB.

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.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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 taking into account all the contractual terms of the instrument.

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.

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

MUMBAI 400 050 CHARTERED ACCOUNTANTS

Penal Interest are recognised as income only when revenue is virtually certain which generally coincides with receipts.

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 Statement of Profit and Loss include, among other things, fees charged for servicing a loan.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

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. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, 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.

vi. Other operational revenue

Other operational revenue 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 original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

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 / group of similar 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
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above 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.

An item of PPE 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 PPE 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.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest 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.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

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.

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

MUMBAI 400 05_ CHARTERED ACCOUNTANTS

(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 and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) 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 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.

(f) Impairment of 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.

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 is subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it 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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(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:
- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

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

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 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 Group recognises related restructuring costs or termination benefits.

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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) 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.

(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 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 is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

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Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and 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

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when 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 the Statement of Profit and Loss.

Financial assets

Classification and 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.

Financial instruments 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 ("SPPI") 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 Statement of profit and 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 and 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. Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is established.

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Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Group's right to receive dividends is established.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

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. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is 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 measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

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- 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.
- Loss given default ("LGD") estimates the normalised loss which Group incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

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 computation is as per the applicable prudential regulatory norms.

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. 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

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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.

Modification and derecognition 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 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 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 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.

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.

Compound instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.
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 Statement of Profit and Loss.

(l) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on

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repatriation. 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 method.

(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 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

(p) Segment reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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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 neither recognised nor disclosed in the consolidated financial statements.

(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) 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.

(t) 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.

(u) Derivative financial instruments and hedging

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 the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the

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recognition in the Statement of Profit and 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.

(v) 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. 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 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 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 statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor
Leases for which the Group is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group as a lessee

As a lessee, the Group leases assets which includes gold loan branches/office premises and vehicles to employees. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for these leases.

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Note 4. Cash and Cash Equivalents

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
Cash on hand	501.95	225.25
Balance with Banks - In current accounts	39,209.17	24,763.18
- In deposit accounts	22,396.86	1,440.36
- Interest accrued on fixed deposits	8.42	0.23
Total	**62,116.40**	**26,429.02**

Note 5. Bank Balance (other than cash and cash equivalents)

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks in earmarked accounts towards unclaimed amount on NCD and dividend	187.85	131.12
In deposit accounts (refer note 5.1)	19,145.41	21,180.87
Interest accrued on fixed deposits (refer note 5.1)	119.68	99.55
Total	**19,452.94**	**21,411.54**

Note 5.1 Out of the Fixed Deposits shown above

Particulars	As at March 31, 2022	As at March 31, 2021
Lien marked	12,948.90	14,796.64
Margin for credit enhancement	6,316.19	6,446.33
Other deposits	-	37.45
Total	**19,265.09**	**21,280.42**

Note 6: Derivative 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:				-	-	-
Spot and forwards	36,943.78	458.52	1,494.63	39,396.29	416.88	973.81
Cross Currency Interest Rate Swaps	3,630.75	-	50.59	3,630.75	-	292.08
(ii) Interest rate derivatives						
Forward Rate Agreements and Interest Rate Swaps	6,955.00	185.60	-	6,955.00	-	212.88
Options Purchased (Note i)	43.16	98.69	98.69	55.62	86.99	86.99
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**47,572.69**	**742.81**	**1,643.91**	**50,037.66**	**503.87**	**1,565.76**

(₹ 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) Fair value hedging						
Options Purchased	43.16	98.69	98.69	55.62	86.99	86.99
(ii) Cash flow hedging						
Currency derivatives	40,574.53	458.52	1,545.22	43,027.04	416.88	1,265.89
Interest rate derivative	6,955.00	185.60	-	6,955.00	-	212.88
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives						
Currency derivative	-	-	-	-	-	-
Interest rate derivative	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**47,572.69**	**742.81**	**1,643.91**	**50,037.66**	**503.87**	**1,565.76**

Credit Risk and Currency Risk

(₹ in millions)

	Total		Exchange Traded		Over the Counter	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
As at March 31, 2022						
Derivative Asset	13,868.16	742.81	43.16	98.69	13,825.00	644.12
Derivative Liabilities	33,747.70	1,643.91	43.16	98.69	33,704.53	1,545.22
As at March 31, 2021						
Derivative Asset	6,925.62	503.87	55.62	86.99	6,870.00	416.88
Derivative Liabilities	43,167.66	1,565.76	55.62	86.99	43,112.04	1,478.77

Note:

(i) Options invested are tied up to Secured Non Convertible Debentures of Nil P.Y. (₹ 18.13 million) and Unsecured Non Convertible Debentures of ₹ 98.69 million P.Y. (₹ 68.85 million) made as per the terms of issue and on maturity will be transferred to the investors of the NCD.

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6.1 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.

6.1.1 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. Interest on the borrowing is payable at a floating rate linked to the Benchmark Plus Margin. The Group economically 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 relating interest rate and currency risk 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 standards. These contracts are stated at fair value of the Spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the 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	As at March 31, 2021
Notional amount	47,529.53	49,982.04
Carrying amount	901.07	1,061.89
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	(9.75)	(253.52)

(₹ in millions)

Impact of hedging item	As at March 31, 2022	As at March 31, 2021
Change in fair value	(9.75)	(253.52)
Cash flow hedge reserve	(9.75)	(253.52)
Cost of hedging	-	-

(₹ in millions)

Effect of Cash flow hedge	As at March 31, 2022	As at March 31, 2021
Total hedging gain / (loss) recognised in OCI	(9.75)	(253.52)
Ineffectiveness recognised in profit or (loss)	-	-

Note 7. Receivables

(₹ in millions)

Receivables	As at March 31, 2022	As at March 31, 2021
(i) Trade Receivables		
Receivables considered good - Secured	1,345.00	1,564.65
Receivables considered good - Unsecured*	483.87	358.12
Receivables considered good - significant increase in credit risk	3.85	-
Receivables - credit impaired	0.03	2.95
Total (i) - Gross	**1,832.75**	**1,925.72**
Less: Impairment loss allowance	(0.80)	(2.95)
Total (i) - Net	**1,831.95**	**1,922.77**
(ii) Other Receivables		
Receivables considered good - Unsecured	158.00	5.10

* including receivable from Group Companies (refer note 41.2)

Notes:

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person. Nor trade or other receivables are due from firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group had adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.
3. Trade receivables are non-interest bearing.

Note 7.1 Trade Receivables Ageing Schedule

(₹ in millions)

Particulars (As at March 31, 2022)	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	46.37	1,781.24	1.07	0.19	-	-	**1,828.87**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk		3.85	-	-	-	-	**3.85**
(iii)Undisputed Trade Receivables – credit impaired		-	-	-	0.03	-	**0.03**
(iv)Disputed Trade Receivables– considered good		-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
	46.37	**1,785.09**	**1.07**	**0.19**	**0.03**	**-**	**1,832.75**

(₹ in millions)

Particulars (As at March 31, 2021)	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	12.08	1,624.07	286.49	0.03	0.08	0.02	**1,922.77**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	0.13	0.03	2.79	-	**2.95**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	12.08	**1,624.07**	**286.62**	**0.06**	**2.87**	**0.02**	**1,925.72**

Note 8. Loans

(₹ in millions)

Particulars	As at March 31, 2022 Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	266,370.77	57,124.58	323,495.35
(ii) Non Convertible Debentures - for financing real estate projects	17,168.44	-	17,168.44
(iii) Related Parties	2.02	-	2.02
(iv) Others (Dues from Customers etc)	10,491.72	-	10,491.72
Total (A) - Gross	**294,032.95**	**57,124.58**	**351,157.53**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 4,092.20 million and Stage 3 Interest ₹ 1,124.94 million)	(13,728.61)	(499.98)	(14,228.59)
Total (A) - Net	**280,304.34**	**56,624.60**	**336,928.94**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	213,436.41	57,124.58	270,560.99
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	3,449.20	-	3,449.20
(iv) Unsecured	77,147.34	-	77,147.34
Total (B) - Gross	**294,032.95**	**57,124.58**	**351,157.53**
Less: Impairment loss allowance	(13,728.61)	(499.98)	(14,228.59)
Total (B) - Net	**280,304.34**	**56,624.60**	**336,928.94**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	294,032.95	57,124.58	351,157.53
Total(C) (I) - Gross	**294,032.95**	**57,124.58**	**351,157.53**
Less: Impairment loss allowance	(13,728.61)	(499.98)	(14,228.59)
Total(C) (I) - Net	**280,304.34**	**56,624.60**	**336,928.94**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**280,304.34**	**56,624.60**	**336,928.94**

(₹ in millions)

Particulars	As at March 31, 2021 Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	260,743.51	52,662.86	313,406.37
(ii) Non Convertible Debentures - for financing real estate projects	22,713.41	-	22,713.41
(iii) Others (Dues from Customers etc)	13,651.49	-	13,651.49
Total (A) - Gross	**297,108.41**	**52,662.86**	**349,771.27**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 3,828.96 million and Stage 3 Interest ₹ 1,169.47 million)	(13,948.47)	(491.20)	(14,439.67)
Total (A) - Net	**283,159.94**	**52,171.66**	**335,331.60**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	238,337.53	49,451.28	287,788.81
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	3,359.70	34.91	3,394.61
(iv) Unsecured	55,411.18	3,176.67	58,587.85
Total (B) - Gross	**297,108.41**	**52,662.86**	**349,771.27**
Less: Impairment loss allowance	(13,948.47)	(491.20)	(14,439.67)
Total (B) - Net	**283,159.94**	**52,171.66**	**335,331.60**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	297,108.41	52,662.86	349,771.27
Total (C) (I)-Gross	**297,108.41**	**52,662.86**	**349,771.27**
Less: Impairment loss allowance	(13,948.47)	(491.20)	(14,439.67)
Total (C) (I)-Net	**283,159.94**	**52,171.66**	**335,331.60**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**283,159.94**	**52,171.66**	**335,331.60**

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Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.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.

8.2 Secured loans include loans aggregating to ₹ 2,009.43 million (P.Y ₹ 2,677.98 million) in respect of which the creation of security is under process.

8.3 The Group assessment of impairment loss allowance on its loans and other assets is subject to a number of management judgments and estimates. In relation to COVID-19, judgments and assumptions included the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. Given the dynamic nature of pandemic situation, the Group's impairment loss allowance estimates are inherently uncertain due to severity and duration of the pandemic and, as a result, actual results may differ from these estimates as on the date of approval of these Consolidated Financial Statements.

8.4 The Group has complied with the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On February 15, 2022, RBI allowed deferment till September 30, 2022 of Para 10 of this circular pertaining to upgrade of non performing accounts. However, the Group has not opted for this deferment.

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Note 9. Investments

(₹ in millions)

Particulars	As at March 31, 2022		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	0.04	-	0.04
Alternate investment funds	10,992.17	-	10,992.17
Security receipts	4,453.91	-	4,453.91
Debt securities	-	95.90	95.90
Equity instruments	-	0.50	0.50
Total – Gross (A)	**15,446.12**	**96.40**	**15,542.52**
Less: Impairment loss allowance	(3,620.91)	-	(3,620.91)
Total – Net (A)	**11,825.21**	**96.40**	**11,921.61**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	15,446.12	96.40	15,542.52
Total – (B)	**15,446.12**	**96.40**	**15,542.52**
Less: Impairment loss allowance	(3,620.91)	-	(3,620.91)
Total Net (B)	**11,825.21**	**96.40**	**11,921.61**

(₹ in millions)

Particulars	As at March 31, 2021		
	At Fair Value through profit and loss	At Amortised cost	Total
(A)			
Mutual funds	118.18	-	118.18
Alternate investment funds	71.06	-	71.06
Debt securities	-	125.97	125.97
Equity instruments	-	0.50	0.50
Total – Gross (A)	**189.24**	**126.47**	**315.71**
Less: Impairment loss allowance	-	-	-
Total – Net (A)	**189.24**	**126.47**	**315.71**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	189.24	126.47	315.71
Total – (B)	**189.24**	**126.47**	**315.71**
Less: Impairment loss allowance	-	-	-
Total Net (B)	**189.24**	**126.47**	**315.71**

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Note 9.1 Investment Details Script Wise

Particulars	As at March 31, 2022			As at March 31, 2021		
	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in millions)	Quantity (in actuals)	Face value per unit (in ₹)	Carrying Value (₹ in millions)
Mutual funds			**0.04**			**118.18**
IIFL Focused Equity Fund-Direct Plan-Growth	-	-	-	4,562,418.45	10.00	118.18
Nippon India Mutual Fund ETF Liquid Bees	35.20	1,000	0.04	-	-	-
Alternate investment fund			**10,992.17**			**71.06**
Phi Capital Growth Fund-I	306.78	100,000.00	100.56	298.40	100,000.00	43.08
Indiareit Apartment Fund - Class B	20.01	100,000.00	2.36	22.63	100,000.00	3.58
IIFL Income Opportunities Fund- Special Situation - Class B	-	-	-	932,923.14	3.9963	2.03
IIFL Income Opportunities Fund- Special Situation - Class S	-	-	-	10,278,484.68	3.9963	22.37
IIFL One Value Fund Series B - Class B	608,837,542.29	10.0000	6,335.03	-	-	-
IIFL One Value Fund Series B - Class C	415,940,426.88	10.0000	4,459.38	-	-	-
Faering Capital Growth Fund III	15,500.00	1,000.0000	15.01	-	-	-
IIFL Securities Capital Enhancer Fund - Class S	3,999,800.01	10.0000	40.29	-	-	-
IIFL Securities Capital Enhancer Fund - Class E	1,999.90	10.0274	0.02	-	-	-
IIFL One Opportunities FOF - Series 1	3,065,261.70	10.0000	39.52	-	-	-
Security receipts			**4,453.91**			-
ACRE - 110 - Trust	3,825,000.00	951.7500	3,620.91	-	-	-
Arcil-SBPS-049-I- Trust	833,000.00	1,000.00	833.00	-	-	-
Debt securities			**95.90**			**125.97**
Elite Mortgage HL Trust June 2019 Series A PTC	5.00	35,854,404.00	95.90	5.00	35,854,404.00	125.97
Equity instruments			**0.50**			**0.50**
Alpha Microfinance Consultants Private Limited	50,000.00	10.00	0.50	50,000.00	10.00	0.50
Total Gross			**15,542.52**			**315.71**

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2022

Note 10. Other financial assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Security deposits	409.05	324.19
Deposit with Exchange	2.50	2.80
Interest strip asset on assignment	7,955.28	3,843.01
Staff advances	2.13	1.41
Insurance receivable	505.79	525.24
Less: Provisions on insurance receivables (refer note 10.1)	(266.29)	(181.73)
Other receivables	573.66	342.08
Other advance	55.73	46.70
(Unsecured, considered doubtful)		
Security deposit for rented premises	11.24	11.26
Less: Impairment loss allowance on security deposit (refer note 10.2)	(11.24)	(11.26)
Total	**9,237.85**	**4,903.70**

Note 10.1: Provisions on insurance receivables

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	**181.73**	**112.48**
Addition	162.18	72.80
Reduction	(77.62)	(3.55)
Closing	**266.29**	**181.73**

Note 10.2: Provisions on security deposit

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	11.26	12.99
Addition	7.43	4.79
Reduction	(7.45)	(6.52)
Closing	**11.24**	**11.26**

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Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ in millions)

Particulars	Opening balance (as on April 1, 2021)	Recognised in profit or loss	Recognised in/ reclassified from OCI **	Closing balance (as on March 31, 2022)
Deferred tax assets				
Property, plant and equipment	246.24	31.14	-	277.38
Provisions, allowances for doubtful receivables / loans	3,392.04	(48.14)	-	3,343.90
Compensated absences and retirement benefits	58.62	7.24	0.09	65.95
Deduction for Provision for Doubtful debts	-	55.74	-	55.74
MTM on derivative financial instruments	68.13	-	(60.78)	7.35
Expenses deductible in future years	130.97	6.29	-	137.26
C/f losses on investments	-	(151.74)	-	(151.74)
Cash flow hedge reserve	73.24	908.93	35.57	1,017.74
Fair value of loans carried at FVTOCI	1.92	-	(34.36)	(32.44)
Leases - Ind AS 116	71.38	13.61	-	84.99
Income amortisation (net)	(854.51)	(1,005.26)	-	(1,859.77)
Provision for 36(1)(viia)	(76.60)	(11.65)	-	(88.25)
Deferred tax assets (net)	**3,111.43**	**(193.84)**	**(59.48)**	**2,858.11**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in millions)

Particulars	Opening balance (as on April 1, 2020)	Recognised in profit or loss*	Recognised in/ reclassified from OCI **	Closing balance (as on March 31, 2021)
Deferred tax assets				
Property, plant and equipment	212.03	34.21	-	246.24
Provisions, allowances for doubtful receivables / loans	2,351.63	1,040.41	-	3,392.04
Compensated absences and retirement benefits	67.12	(3.09)	(5.41)	58.62
MTM on derivative financial instruments	68.88	(36.44)	35.69	68.13
Expenses deductible in future years	89.26	41.71	-	130.97
C/f losses on investments	142.19	(142.19)	-	-
Cash flow hedge reserve	-	-	73.24	73.24
Fair value of loans carried at FVTOCI	-	-	1.92	1.92
Leases - Ind AS 116	47.47	23.91	-	71.38
Income amortisation (net)	(549.12)	(305.39)	-	(854.51)
Provision for 36(1)(viia)	-	(76.60)	-	(76.60)
Deferred tax assets (net)	**2,429.46**	**576.53**	**105.44**	**3,111.43**

* Includes prior period amount of ₹ 202.94 million.

** Excluding amount of C.Y. ₹ 28.48 million (P.Y. ₹ 23.66 million) towards tax expense for MTM on derivative financial instruments

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Note 12. Investment property (at cost)

(₹ in millions)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2021	1,556.02	74.84	1,121.93	2,752.79
Additions during the year	-	-	259.69	259.69
Deductions/adjustments during the year	-	-	-	-
As at March 31, 2022	1,556.02	74.84	1,381.62	3,012.48
Less : Impairment loss allowance/Adjustment	(0.10)	(8.53)	(51.91)	(60.54)
Net carrying value as at March 31, 2022	1,555.92	66.31	1,329.71	2,951.94
Fair value as on March 31, 2022 (Fair value hierarchy : Level 3)	1,759.67	87.80	1,329.89	3,177.36

*Distress value of above flats is ₹ 1,578.97 million as on March 31, 2022.

(₹ in millions)

Particulars	Property (Flats) (refer note 12.1) *	Building	Land (refer note 12.1)	Total
Gross carrying value				
As at April 1, 2020	1,556.02	111.83	1,058.85	2,726.70
Additions during the year	-	-	63.08	63.08
Deductions/adjustments during the year	-	(36.99)	-	(36.99)
As at March 31, 2021	1,556.02	74.84	1,121.93	2,752.79
Less : Impairment loss allowance	(0.07)	(4.79)	(37.33)	(42.19)
Net carrying value as at March 31, 2021	1,555.95	70.05	1,084.60	2,710.60
Fair value as on March 31, 2021 (Fair value hierarchy : Level 3)	1,710.35	86.84	1,084.82	2,882.02

*Distress value of above flats is ₹ 1,596.10 million as on March 31, 2021.

12.1: Management has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under rule 2 of Companies (Registered Valuers and Valuation) Rules,2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

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Note 13. Property, Plant and Equipment

(₹ in millions)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2021	**0.86**	**17.34**	**879.80**	**17.12**	**113.40**	**359.31**	**277.61**	**480.63**	**2,146.07**
Additions during the year	-	6.69	497.66	0.16	178.06	-	133.65	269.00	1,085.22
Deductions/adjustments	-	(1.51)	(17.81)	(1.55)	(1.74)	(113.72)	(9.34)	(50.73)	(196.40)
As at March 31, 2022	**0.86**	**22.52**	**1,359.65**	**15.73**	**289.72**	**245.59**	**401.92**	**698.90**	**3,034.89**
Depreciation									
As at April 1, 2021	-	**11.00**	**424.67**	**14.66**	**69.45**	**84.60**	**136.80**	**361.97**	**1,103.15**
Depreciation for the year	-	4.60	240.01	2.23	41.16	21.15	82.18	132.65	523.98
Deductions/adjustments	-	(1.29)	(13.88)	(1.55)	(1.40)	(35.17)	(7.24)	(36.93)	(97.46)
Up to March 31, 2022	-	**14.31**	**650.80**	**15.34**	**109.21**	**70.58**	**211.74**	**457.69**	**1,529.67**
Net block as at March 31, 2022	**0.86**	**8.21**	**708.85**	**0.39**	**180.51**	**175.01**	**190.18**	**241.21**	**1,505.22**

* The above freehold Land is hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures.

(₹ in millions)

Particulars	Freehold Land *	Electrical Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2020	**0.86**	**17.94**	**732.04**	**17.12**	**136.04**	**359.31**	**198.85**	**472.81**	**1,934.97**
Additions during the year	-	2.36	176.24	-	15.52	-	45.80	62.12	302.04
Deductions/adjustments	-	(2.96)	(28.48)	-	(38.16)	-	32.96	(54.30)	(90.94)
As at March 31, 2021	**0.86**	**17.34**	**879.80**	**17.12**	**113.40**	**359.31**	**277.61**	**480.63**	**2,146.07**
Depreciation									
As at April 1, 2020	-	**10.33**	**296.40**	**12.01**	**67.85**	**63.45**	**85.02**	**258.41**	**793.47**
Depreciation for the year	-	2.81	138.54	2.65	16.24	21.15	50.19	143.16	374.74
Deductions/adjustments	-	(2.14)	(10.27)	-	(14.64)		1.59	(39.60)	(65.06)
Up to March 31, 2021	-	**11.00**	**424.67**	**14.66**	**69.45**	**84.60**	**136.80**	**361.97**	**1,103.15**
Net block as at March 31, 2021	**0.86**	**6.34**	**455.13**	**2.46**	**43.95**	**274.71**	**140.81**	**118.66**	**1,042.92**

* The above freehold Land is hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures.

Note 13.1. Capital-Work-in Progress (CWIP)

Ageing schedule

(₹ in millions)

Particulars	As at March 31, 2022				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	51.40	5.04	-	-	56.44
Projects temporarily suspended	-	-	-	-	-

(₹ in millions)

Particulars	As at March 31, 2021				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	62.41	2.26	0.39	0.55	65.61
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

Note 14. Leases

(i) As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in millions)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2021	**2,977.57**	**8.42**	**2,985.99**
Addition during the year	1,017.53	11.19	1,028.72
Deduction/Adjustment	(60.40)	-	(60.40)
Depreciation during the year	(671.35)	(7.66)	(679.01)
Closing Balance as at March 31, 2022	**3,263.35**	**11.95**	**3,275.30**

(₹ in millions)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2020	**2,749.84**	**21.42**	**2,771.26**
Addition during the year	1,016.45	1.54	**1,017.99**
Deduction/Adjustment	(149.78)	(3.63)	**(153.41)**
Depreciation during the year	(638.94)	(10.91)	**(649.85)**
Closing Balance as at March 31, 2021	**2,977.57**	**8.42**	**2,985.99**

b) 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	754.26	515.51
Non-current lease liabilities	2,852.52	2,749.51
Total	**3,606.78**	**3,265.02**

c) Movement in lease liabilities:

(₹ in millions)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2021	**3,255.70**	**9.32**	**3,265.02**
Addition during the year	1,013.45	11.20	1,024.65
Deduction/Adjustment	(63.20)	-	(63.20)
Finance cost accrued during the period	306.69	1.18	307.87
Payment of lease liabilities	(918.64)	(8.92)	(927.56)
Closing Balance as at March 31, 2022	**3,594.00**	**12.78**	**3,606.78**

(₹ in millions)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2020	**2,890.93**	**22.60**	**2,913.53**
Addition during the year	1,011.46	1.55	1,013.01
Deduction/Adjustment	(160.00)	(3.86)	(163.86)
Finance cost accrued during the period	268.04	1.41	269.45
Payment of lease liabilities	(754.73)	(12.38)	(767.11)
Closing Balance as at March 31, 2021	**3,255.70**	**9.32**	**3,265.02**

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d) Details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	1,005.93	764.28
One to two years	906.12	743.59
Two to five years	1,775.02	1,660.16
More than five years	916.20	1,189.18
Total	**4,603.27**	**4,357.21**

e) Rental expense recorded for short-term leases was ₹ 197.59 million (P.Y ₹ 130.15 million)

f) Amounts recognised in profit or loss (₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Interest on lease liabilities	307.87	269.45
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	4.59	4.66
Depreciation relating to leases	679.03	649.86
Total	**991.49**	**923.97**

g) Amounts recognised in the statement of cash flows (₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Total cash outflow for leases	927.55	767.11

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Note 15. Other Intangible Assets

(₹ in millions)

Particulars	Software
Cost or valuation as at April 01, 2021	**79.70**
Additions during the year	19.87
Deductions /Adjustments	-
As at March 31, 2022	**99.57**
Amortisations	
As at April 01, 2021	**68.25**
Additions during the year	10.20
Deductions /Adjustments	-
Up to March 31, 2022	**78.45**
Net block as at March 31, 2022	**21.12**

(₹ in millions)

Particulars	Software
Cost or valuation as at April 01, 2020	**56.69**
Additions during the year	23.01
Deductions /Adjustments	-
As at March 31, 2021	**79.70**
Amortisations	
As at April 01, 2020	**44.18**
Additions during the year	24.07
Deductions /Adjustments	-
Up to March 31, 2021	**68.25**
Net block as at March 31, 2021	**11.45**

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Note 16. Other Non-Financial Assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Prepaid expenses	540.42	143.96
Receivable from securitisation trust	2,364.98	2,312.07
Advances for operational expenses	430.32	501.77
Deposit with government	19.71	18.92
GST / Service tax input	51.99	159.43
Advance towards gratuity (refer note 33.2)	11.77	8.25
Capital Advance	0.65	1.82
Other assets	106.11	3.79
Total	3,525.95	3,150.01

* Includes foreign currency payments amounting to ₹ 90.70 million (P.Y ₹ 90.70 million)

Note 17. Assets Held For Sale

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for sale	175.51	139.46
Total	175.51	139.46

(i) Assets held for sale includes Group owned property which it intends to sell in the near future.

(ii) The Group 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 Group 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 18. Payables

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1)	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	228.94	146.91
Accrued salaries and benefits	28.50	23.08
Provision for expenses	1,131.73	914.13
Other trade payables *	35.10	9.79
Total	1,424.27	1,093.91
(II) Other Payables		
(i)Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	99.06	-
Total (II)	99.06	-

* including payable to Group Companies (refer note 41.2)

Note 18.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

Particulars	2021-2022	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	-	-

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.

No interest has been paid/is payable by the Group during the year to the suppliers registered under this Act.

Note 18.2 Trade Payables ageing schedule

(₹ in millions)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2022	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	477.40	936.64	0.25	0.15	9.83	1,424.27
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-

(₹ in millions)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2021	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-		-	-
(ii) Others	335.50	745.33	5.11	0.29	7.68	1,093.91
(iii)Disputed dues – MSME	-	-	-		-	-
(iv)Disputed dues - Others	-	-	-		-	-

Note 19. Debt Securities (₹ in millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
(i) Non Convertible Debentures (Refer Note (a), (b), (c), 19.1 and 19.2) - Secured	74,636.58	78,377.98
Less : Unamortised debenture issue expenses	(431.94)	(338.26)
Less : Unexpired discount on NCD	(15.70)	(36.29)
(ii) Commercial Papers - Unsecured	1,009.00	-
Less : Unexpired discount on Commercial Paper	(17.40)	-
(iii) Interest accrued but not due	3,200.24	5,300.07
Total (A)	**78,380.78**	**83,303.50**
Debt Securities in India	53,173.49	54,555.68
Debt Securities outside India	25,207.29	28,747.82
Total (B)	**78,380.78**	**83,303.50**

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

(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)).

(c) Non Convertible Debenture – Secured includes redeemable Non convertible debenture amounting to ₹ Nil (P.Y. 140.00 Millions) which carries call option effective from July 13, 2018

Note 19.1 - Terms of repayment

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest / Yield	Amount (₹ in millions)	Rate of Interest / Yield	Amount (₹ in millions)
Non Convertible Debenture (Secured):		**74,636.58**		**78,377.98**
Fixed:		**68,840.51**		**62,093.63**
More than 5 years	5.00 % - 9.18%	19,359.13	8.60% - 9.18%	6,370.00
3- 5 years	8.20 % - 10.33%	4,915.84	10.05% - 10.33%	300.00
1-3 years	8.25% - 11.50%	37,967.55	8.00% - 15.25%	39,746.83
Less than 1 years	7.75% -15.25%	6,597.99	7.70% - 10.50%	15,676.80
Floating:^		**281.25**		**2,843.75**
1-3 years	0.00%	-	8.56%	281.25
Less than 1 years	7.51%	281.25	8.56% - 9.40%	2,562.50
Zero Coupon:		**5,514.82**		**13,440.60**
More than 5 years	8.75%	55.27		
3- 5 years	8.50% - 8.75%	335.57	9.00% - 10.30%	1,291.89
1-3 years	8.00 % - 10.30%	3,256.57	9.35% - 9.85%	2,259.53
Less than 1 years	9.35% - 9.85%	1,867.41	8.20% - 10.20%	9,889.18
Commercial Papers (Unsecured):		**1,009.00**		-
Less than 1 years	6.30 % - 6.35%	1,009.00	-	-
Total		**75,645.58**		**78,377.98**

^ The floating rate non convertible debentures are linked with Government securities / Treasury Bills interest rates plus applicable spread.

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Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
8.33% Secured Rated Listed Redeemable Non Convertible Debenture. Series D13. Date Of Maturity 30/06/2031	8.33%	5,000.00	-
G-sec Linked Secured Rated Listed Redeemable Non Convertible Debenture. Series D14. Date Of Maturity 07/09/2024	8.00%	1,000.00	-
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	3,075.30	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	714.25	-
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	940.80	-
Zero Coupon Secured Ratedcummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	573.10	-
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	1,472.51	-
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	1,360.83	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	293.09	-
8.50% Secured Rated Listed Non Convertible Debenture.Series D15.Date Of Maturity 21/01/2032	8.50%	100.00	-
8.60% Secured Rated Listed Redeemable Non Convertible Debenture. Series D 16 Option A.Date of Maturity 24/03/2032	8.60%	600.00	-
G-sec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures Date Of Maturity 30/04/2024	9.00%	748.00	-
G-sec Linked Secured Rated Listed Redeemable Market Linked Principal Protected Non Convertible Debentures.Date Of Maturity 26/12/2022	7.75%	500.00	-
8.62% Secured Rated Listed Redeemable Non Convertible Debentures.Series D4.Date Of Maturity 12/03/2028	8.62%	190.00	-
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	-
8.59% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030	8.59%	4,333.00	-
5.00% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad II. Date Of Maturity 28/02/2031	5.00%	747.00	-
Zero Coupon Secured Listed Redeemable Non Convertible Debentures. Series B8 Option B. Date of Maturity 06/04/2021	8.20%	-	270.60

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
8.00% Secured Redeemable Non-Convertible Debentures. Series C6. Date of Maturity 29/04/2021	8.00%	-	2,500.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series C8. Date of Maturity 30/04/2021	8.75%	-	100.00
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 Listed Rated Redeemable Non Convertible Debentures. Series C10. Date of Maturity 25/05/2021	9.25%	-	260.00
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	9.20%	-	2,000.00
Zero Coupon Secured Non Convertible Debentures - G-Sec MLD 2021. D3 Option I Date of Maturity - 27/09/2021	9.50%	-	1,070.13
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
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.96%	-	1,110.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.75%	-	1,000.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.87%	-	500.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 19/10/2021	9.93%	-	250.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C9. Date of Maturity 26/10/2021	10.20%	-	100.00
10.20% Secured Redeemable Non Convertible Debentures. Date of Maturity 03/11/2021	10.20%	-	2,875.00
8.90% Secured Redeemable Non-Convertible Debentures. Series B2 Option I. Date of Maturity 03/11/2021	8.90%	-	50.00
8.00% 10 Year G-SEC Rate Linked Secured Rated Listed Redeemable Non Convertible Debenture Series D8. Date of Maturity 01/12/2021	8.00%	-	751.80
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D6. Date of Maturity 07/01/2022	8.00%	-	2,000.00
9.38% Secured Rated Listed Redeemable Non Convertible Debentures. Series C3 Option 3. Date of Maturity 24/01/2022	9.38%	-	500.00
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D7. Date of Maturity 18/02/2022	8.00%	-	1,000.00
Nifty Linked Secured Listed Redeemable Non Convertible Debentures. Date of Maturity 14/03/2022	8.73%	-	127.50
7.70% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D12. Date of Maturity 24/03/2022	7.70%	-	1,000.00
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D9. Date of Maturity 30/03/2022	8.00%	-	2,250.00
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

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IIFL FINANCE LIMITED

SANKAR AIYAR & CO MUMBAI CHARTERED ACCOUNTANTS

Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
9.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series I. Date of Maturity 07/05/2022	9.50%	2,605.00	2,605.00
9.60% Secured Rated Listed Redeemable Non Convertible Debenture. Series I. Date of Maturity 07/05/2022	9.60%	366.92	364.44
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debenture. Series II - Category II,III & IV. . Date of Maturity 07/05/2022	9.60%	422.42	437.10
10.00% Secured Rated Listed Redeemable Non Convertible Debentures. SMFL NCD Series 5 Date of Maturity 11/02/2022	10.00%	-	250.00
10.00% Secured Rated Listed Redeemable Non Convertible Debentures. SMFL NCD Series 5 Date of Maturity 11/02/2022	10.00%	-	250.00
10.00% Secured Rated Listed Redeemable Non Convertible Debentures. SMFL NCD Series 5 Date of Maturity 11/02/2022	10.00%	-	500.00
8.00% Secured Redeemable Non Convertible Debentures. Series Series D1. Date of Maturity: 18/02/2022	8.00%	-	1,250.00
8.61% Secured Rated Listed Redeemable Non Convertible Debentures. Series B10 Option A. Date of Maturity 13/05/2022	8.56%	281.25	843.75
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D10. Date of Maturity 17/05/2022	8.00%	1,000.00	1,000.00
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D11. Date of Maturity 26/05/2022	8.00%	250.00	250.00
G- Sec Linked Secured Rated Listed Senior Redeemable Principal Protected Market Linked Non Convertible Debentures. Series 1. Date of Maturity 02/06/2022	9.55%	150.00	150.00
15.25% Secured Redeemable Non-Convertible Debentures. Date of Maturity 30/06/2022	15.25%	50.00	50.00
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series C8. Date of Maturity 29/09/2022	9.55%	580.00	580.00
Zero Coupon Secured Non Convertible Debentures - Nifty Enhancer Structure- MLD 2022. D3 Option II. Date of Maturity 27/09/2022	9.50%	219.30	254.50
9.50% Secured Non Convertible Debentures - Tranche II. Series II. Date of Maturity 06/12/2022	9.50%	331.65	343.16
Zero Coupon Secured Non Convertible Debentures - Tranche II. Series III. Date of Maturity 06/12/2022	9.85%	107.69	113.93
9.85% Secured Non Convertible Debentures - Tranche II. Series IV. Date of Maturity 06/12/2022	9.85%	644.42	646.96
G-Sec Linked Secured Rated Listed Senior Redeemable Principal Protected Market Linked Non Convertible Debentures. Series 2. Date of Maturity 02/01/2023	9.65%	150.00	150.00
9.75% Secured Redeemable Non Convertible Debentures - Series D4. Date of Maturity 17/01/2023	9.85%	50.00	50.00
10.50% Secured Rated Unlisted Redeemable Non Convertible Debentures. Date of Maturity 18/03/2023	10.50%	500.00	1,000.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D5. Date of Maturity 08/05/2023	9.00%	1,000.00	1,000.00
11.50% Rated, Listed, Senior, Secured, Taxable, Redeemable Non Convertible Debentures. Series 1. Date of Maturity 05/06/2023	11.50%	200.00	200.00
11.50% Rated, Listed, Senior, Secured, Taxable, Redeemable Non Convertible Debentures. Series 1. Date of Maturity 05/06/2023	11.50%	150.00	150.00
11.50% Rated, Listed, Senior, Secured, Taxable, Redeemable Non Convertible Debentures. Series 1. Date of Maturity 05/06/2023	11.50%	250.00	250.00

IIFL FINANCE LIMITED

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Note 19.2 - Non Convertible Debentures - instrument wise details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
11.50% Secured Listed, Rated Senior Taxable Redeemable Non-Convertible Debentures. SMFL NCD Series 3. Date of Maturity 21/04/2023	11.50%	1,000.00	1,000.00
11.50% Secured Listed, Rated Senior Taxable Redeemable Non-Convertible Debentures. SMFL NCD Series 3. Date of Maturity 21/04/2023	11.50%	150.00	150.00
11.50% Rated, Listed, Senior, Secured, Redeemable, Taxable, INR Denominated Non-Convertible Debentures. SMFL NCD Series 4. Date of Maturity 10/07/2023	11.50%	250.00	250.00
9.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series III. Date of Maturity - 07/02/2024	9.75%	1,704.24	1,729.16
10.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV. Date of Maturity - 07/02/2024	10.20%	1,118.01	1,133.88
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 Listed Senior Redeemable Market Linked Principal Protected Non Convertible Debentures. Date of Maturity 30/04/2024	9.00%	590.00	590.00
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. Date of Maturity - 19/12/2025	10.33%	150.00	150.00
10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Date of Maturity 20/03/2026	10.05%	150.00	150.00
5.875% Secured MTN Dollar Bond. Date of Maturity- 20/04/2023 *	11.03% (P.Y 11.09%)	24,534.03	28,074.23
8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3.Date of Maturity : 11/02/2028	8.60%	180.00	180.00
8.62% Secured Redeemable Non Convertible Debentures. Series. Series D4.Date of Maturity 12/03/2028	8.62%	-	190.00
9.18% Secured Redeemable Non Convertible Debentures. Series C15. Date of Maturity 03/10/2029	9.18%	3,000.00	3,000.00
8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Date of Maturity 12/11/2030.	8.69%	3,000.00	3,000.00
TOTAL		74,636.58	78,377.98

* includes hedging cost

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IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Note 20. Borrowings (other than debt securities)

(₹ in millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
(A)		
(a) Term loan (i) From Banks, NHB and Financial institutions (refer note (a), (b) and 20.1)	218,645.63	163,852.17
(ii) From others (refer note c and 20.1)	7,579.25	7,311.00
Less : Prepaid expenses	(846.69)	(494.07)
(b) Other loans		
(i) Cash credit/ overdraft (refer note (a) and 20.2)	3,350.85	6,693.66
(ii) Securitisation liability (refer note 20.2)	24,065.08	38,405.62
Less : Prepaid expenses	(117.92)	(104.09)
(c) Interest accrued but not due	514.08	579.29
Total (A)	**253,190.28**	**216,243.58**
(B)		
Borrowings in India	237,914.96	205,261.04
Borrowings outside India	15,275.32	10,982.54
Total (B)	**253,190.28**	**216,243.58**

Notes:

(a) These loans are secured by way of a 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.

(b) During the year ended March 31, 2022, the Company had borrowed ₹ 3,792.50 Million (equivalent to US$ 50 Million) under the External Commercial Borrowings towards refinancing of existing outstanding Medium Term Notes. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade,loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio.

(c) These loans are secured by way of first paripassu charge by way of hypothecation on the standard receivables of the company with asset cover of 1.20 times of the sanction amount

Note 20.1 - Terms of repayment of Term loans

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in millions)	Rate of Interest/ Yield	Amount (₹ in millions)
Term loans from Banks and Financial institutions:*				
Fixed:		**22,193.21**		**14,811.63**
More than 5 years			8.70%	90.00
3- 5 years	8.45%-9.80%	1,317.90	8.62% - 11.50%	983.66
1-3 years	8.00% -11.50%	11,247.48	8.10% - 12.00%	8,388.25
Less than 1 year	7.05% -12.00%	9,627.83	7.00% - 12.00%	5,349.72
Floating:		**168,815.44**		**121,584.57**
More than 5 years	7.70% - 9.50%	14,259.62	7.80% - 9.50%	10,623.50
3- 5 years	7.70% -9.75%	23,132.28	7.60% - 10.30%	17,387.04
1-3 years	7.40% -11.00%	73,840.97	7.50% - 11.75%	52,238.16
Less than 1 year	6.00%-11.75%	57,582.57	6.21% - 12.15%	41,335.87
Term loans from NHB:				
Fixed:		**27,636.98**		**27,455.97**
More than 5 years	2.94 % - 6.85 %	6,526.29	3.00% - 8.95%	6,030.38
3- 5 years	2.94 % - 8.18 %	5,941.45	3.00% - 8.95%	5,763.08
1-3 years	2.94 % - 8.18 %	9,098.82	3.00% - 8.95%	7,319.86
Less than 1 year	2.94 % - 8.80 %	6,070.42	3.00% - 8.95%	8,342.65
Term loans from others:**				
Floating:		**7,579.25**		**7,311.00**
3- 5 years	8.62%	7,579.25	8.62%	7,311.00
Total		**226,224.88**		**171,163.17**

* The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 20.2 - Terms of repayment of Other loans

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in millions)	Rate of Interest/ Yield	Amount (₹ in millions)
Less than 1 year - CC/ ODFD ***	3.75% - 10.00%	3,350.85	3.75% - 10.50%	6,693.66
Securitisation:		**24,065.08**		**38,405.62**
Fixed:		**19,892.16**		**33,031.36**
3- 5 years			10.00%	713.81
1-3 years	7.25% - 7.35%	19,452.46	7.50% - 10.10%	28,430.53
Less than 1 year	9.75% - 10.00%	439.70	7.72%	3,887.02
Floating:		**4,172.92**		**5,374.26**
More than 5 years	6.35% - 7.80%	3,192.04	6.45% - 8.20%	3,852.22
3- 5 years	6.35% - 7.80%	391.94	6.45% - 8.20%	641.88
1-3 years	6.35% - 7.80%	443.00	6.45% - 8.20%	605.81
Less than 1 year	6.35% - 7.80%	145.94	6.45% - 8.20%	274.35
Total		**27,415.93**		**45,099.28**

***The rate of interest for the above loans is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

CHHAJED & DOSHI MUMBAI 400 083. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2022

Note 21. Subordinated Liabilities (₹ in millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
(A)		
(i) Non Convertible Debentures (Refer Note 21.1, 21.2 and 21.3)	24,298.04	21,349.52
Less : Unamortised debenture issue expenses	(503.14)	(340.35)
(ii) Interest accrued but not due	1,885.59	2,010.11
Total (A)	**25,680.49**	**23,019.28**
(B)		
Subordinated liabilities in India	22,209.63	19,550.64
Subordinated liabilities outside India	3,470.86	3,468.64
Total (B)	**25,680.49**	**23,019.28**

Note 21.1 - Terms of repayment

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest / Yield	Amount (₹ in millions)	Rate of Interest / Yield	Amount (₹ in millions)
Non Convertible Debenture (Unsecured)				
Fixed:		**21,836.77**		**14,598.54**
More than 5 years	8.70% -10.50%	19,347.52	8.70% - 10.50%	12,289.29
3- 5 years	10.00%	259.25	10.00%	259.25
1-3 years	8.93% -12.10%	1,750.00	8.93% - 16.90%	1,230.00
Less than 1 years	12.15% -16.90%	480.00	9.30% - 10.75%	820.00
Zero Coupon		**2,461.27**		**6,750.98**
More than 5 years	9.35% -10.03%	2,403.44	9.35% - 10.03%	2,446.60
3- 5 years	10.50%	57.83	9.05% - 10.50%	1,014.67
Less than 1 years	-	-	9.00%	3,289.71
Total		**24,298.04**		**21,349.52**

21.2: 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)).

21.3: Includes debentures amounting to ₹ 110 million (P.Y ₹ 110 million) in respect of which the company is having a call option at the end of the 5th year from the date of allotment July 20, 2018 and every year there after.

CHHAJED & DOSHI MUMBAI 400 089. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

Note 21.4 - Non Convertible Debentures - instrument wise details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture Series D16 Option B.Date of Maturity 24/03/2032	9.35%	500.00	-
10.00% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series I.Date Of Maturity : 03/11/2028	10.00%	2,327.22	-
9.60% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series II.Date Of Maturity : 03/11/2028	9.60%	3,828.24	-
10.02% Unsecured Rated Listed Redeemable Non Convertible Debentures.Series III.Date Of Maturity : 03/11/2028	10.02%	402.78	-
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U01. Date of Maturity 26/07/2021	10.50%	-	170.00
10.50% Unsecured Redeemable Non Convertible Subordinated Debentures. Series U02. Date of Maturity 10/08/2021	10.50%	-	100.00
10.75% Unsecured Redeemable Non Convertible Debentures. Series U01. Date of Maturity 10/09/2021	10.75%	-	200.00
10.50% Unsecured Redeemable Non Convertible Debentures. Series U02. Date of Maturity 16/09/2021	10.50%	-	150.00
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Covered PPMLD Series G1. Date of Maturity 21/10/2021	9.00%	-	1,130.09
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Covered PPMLD Series G2. Date of Maturity 22/11/2021	9.00%	-	2,159.63
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
16.90% Unsecured Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 30/06/2022	16.90%	50.00	50.00
12.15% Unsecured Redeemable Non-Convertible Debenture. Date of Maturity 30/08/2022	12.15%	200.00	200.00
12.20% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date of Maturity 04/11/2022	12.20%	230.00	230.00
8.93% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U07. Date of Maturity 14/04/2023	8.93%	500.00	500.00
12.10% Unsecured Redeemable Non Convertible Debentures. Series 1.Date of Maturity 24/05/2023	12.10%	100.00	100.00
9.30% Unsecured Redeemable Non Convertible Subordinated Debentures. Series Uo5. Date of Maturity 29/05/2023	9.30%	150.00	150.00
Nifty Linked Unsecured Listed Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 19/04/2024	10.24%	218.50	218.50
Nifty Linked Unsecured Listed Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 19/04/2024	10.15%	671.50	671.50
Nifty Linked Unsecured Listed Subordinated Redeemable Non-Convertible Debentures. Date of Maturity 19/04/2024	9.05%	66.84	66.84
10.00% Unsecured Redeemable Non Convertible Debentures. Tranche II. Series V. Date of Maturity - 06/06/2025	10.00%	259.25	259.25
Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date of Maturity 06/06/2025	8.85%	57.83	57.83
8.85% Unsecured Subordinated Listed Redeemable Non-Convertible Debentures. Series U06. Date of Maturity 27/07/2027	8.85%	750.00	750.00
8.70% Unsecured Redeemable Non-Convertible Subordinated Debentures – Series U03. Date of Maturity 19/11/2027	8.70%	1,000.00	1,000.00
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

Note 21.4 - Non Convertible Debentures - instrument wise details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series I . Date of Maturity 24/06/2028	10.00%	2,746.92	2,746.92
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series II . Date of Maturity 24/06/2028	9.60%	3,280.23	3,280.23
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture. Series III . Date of Maturity 24/06/2028	10.03%	681.44	681.44
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity - 28/06/2028	9.00%	3,250.00	3,250.00
9.85% Unsecured Subordinated Rated Listed Redeemable Non-Convertible Debentures. Series U010. Date of Maturity 13/07/2028	9.85%	300.00	300.00
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
Zero coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date of Maturity 25/08/2028	9.35%	500.00	500.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Date of Maturity - 07/02/2029	10.00%	307.65	307.65
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Date of Maturity - 07/02/2029	10.50%	154.48	154.48
TOTAL		24,298.04	21,349.52

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2022

Note 22. Other Financial Liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Temporary overdrawn bank balances	7,471.86	4,633.92
Payable on account of assignment/securitisation	20,233.37	15,811.40
Payable towards NCD	34.60	41.13
Unclaimed dividend	5.19	5.52
Other payables (auction proceeds, retention payable, etc.) (refer note 22.1 and 22.2)	461.32	421.80
Total	**28,206.34**	**20,913.77**

Note 22.1: During the year, amount of ₹ 5.94 million (P.Y ₹ 3.45 million) was transferred to Investor Education and Protection Fund (IEPF). ₹ 0.66 million was pending to be transferred as on March 31, 2021 and was transferred within 30 days of becoming due. As of March 31, 2022, ₹ 0.12 Millions (P.Y.₹ 0.05 Millions) was due for transfer to the IEPF. The same has been subsequently transferred.

Note 22.2: Includes liability towards Credit Link Subsidy Scheme received from NHB of ₹ 0.37 million (P.Y ₹ 0.16 million)

Note 23: Provisions

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	315.25	274.32
Provision for leave encashment	187.90	154.53
Provision for gratuity (refer note 33.2)	47.92	30.50
Expected loan loss provision on loans sanctioned but undrawn	90.00	36.40
Total	**641.07**	**495.75**

Note 24. Other Non-Financial Liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Income received in advance	0.41	31.64
Advances from customers	638.08	1,535.85
Statutory remittances	390.94	242.46
Total	**1,029.43**	**1,809.95**

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Note 25: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
2,355,250,000 Equity Shares (P.Y 2,355,250,000) of ₹ 2 each	4,710.50	4,710.50
500,000,000 Preference Shares (P.Y 500,000,000) of ₹ 10 each	5,000.00	5,000.00
Total	**9,710.50**	**9,710.50**
Issued, Subscribed and Paid-up Share Capital		
379,598,711 Equity Shares (P.Y 378,840,676) of ₹ 2 each fully paid with voting rights	759.20	757.68
Total	**759.20**	**757.68**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in millions	No. of Shares	₹ in millions
Equity Shares				
At the beginning of the year	378,840,676	757.68	378,340,922	756.68
Add: Shares issued during the year	758,035	1.52	499,754	1.00
Outstanding at the end of the year	**379,598,711**	**759.20**	**378,840,676**	**757.68**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2022, equity shareholders were paid an interim dividend of ₹ 3.50/- (P.Y ₹ 3.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd.	84,641,445	22.30%	84,641,445	22.34%
CDC Group PLC	29,501,587	7.77%	58,501,587	15.44%
Nirmal Bhanwarlal Jain	47,719,154	12.57%	47,719,154	12.60%
HWIC Asia Fund Class A shares	-	0.00%	28,362,530	7.49%
Smallcap World Fund, Inc	19,671,937	5.18%	-	0.00%
Parajia Bharat Himatlal	20,388,602	5.37%	19,695,000	5.20%

(v) Details of Shareholding of Promoters

As at March 31, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	47,719,154	12.57%	-0.03%
Madhu N Jain	12,075,000	3.18%	-0.01%
Venkataraman Rajamani	10,984,432	2.89%	-0.01%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.63%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.37%	-0.01%
Aditi Athavankar	200,000	0.05%	0.00%
Ardent Impex Pvt Ltd	3,268,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	0.00%
Total	**94,547,490**	**24.91%**	

* The change in percentage is due to dilution of Share Capital

As at March 31, 2021

Promoter name	No. of Shares	% of total shares	% Change during the year
Nirmal Bhanwarlal Jain	47,719,154	12.60%	0.11%
Madhu N Jain	12,075,000	3.19%	Nil
Venkataraman Rajamani	10,984,432	2.90%	Nil
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.64%	Nil
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.38%	Nil
Aditi Athavankar	200,000	0.05%	Nil
Ardent Impex Pvt Ltd	3,268,904	0.86%	-0.07%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	Nil
Total	**94,547,490**	**24.96%**	

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 39 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

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Note 25.1: Other Equity

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Application Money	-	-
Capital Reserve	838.85	838.85
Securities Premium Reserve		
Opening Balance	18,409.81	18,352.60
Add: Share issue expenses	(83.40)	-
Add: Addition during the year	84.52	44.59
Add/(Less): Transfer to/ (from) reserves	47.57	12.62
Closing Balance	18,458.50	18,409.81
General Reserve		
Opening Balance	6,531.47	6,524.65
Add/(Less): Transfer to/ (from) reserves	0.66	6.82
Closing Balance	6,532.13	6,531.47
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening Balance	6,402.53	5,582.94
Add/(Less): Transfer to/ (from) reserves	2,053.51	819.59
Closing Balance	8,456.04	6,402.53
Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987		
Opening Balance	2,873.70	2,068.70
Add/(Less): Transfer to/ (from) reserves	1,156.00	805.00
Closing Balance	4,029.70	2,873.70
Capital Redemption Reserve	2,301.11	2,301.11
Debenture Redemption Reserve	128.04	128.04
Retained Earnings		
Opening Balance	15,899.31	11,055.30
Add: Profit for the year	11,878.93	7,601.18
Less: Interim dividend	(1,328.20)	(1,195.41)
Add: Change in minority	3.67	2.73
Add/(Less): Transfer to/ (from) reserves	(3,126.57)	(1,624.59)
Add: Addition during the year	-	0.10
Closing Balance	23,327.14	15,899.31
Stock Compensation Reserve		
Opening Balance	159.06	174.14
Add: Addition during the year	30.98	4.36
Add/(Less): Transfer to/ (from) reserves	(48.22)	(19.44)
Closing Balance	141.82	159.06
Effective portion of Cash Flow Hedges		
Opening Balance	(384.14)	(130.62)
Add: Other comprehensive income/ (loss)	(9.76)	(253.52)
Closing Balance	(393.90)	(384.14)
Fair value of loans carried at FVTOCI		
Opening Balance	(5.72)	-
Add: Other comprehensive income/ (loss)	102.16	(5.72)
Closing Balance	96.44	(5.72)
Remeasurements of defined benefit		
Opening Balance	(36.57)	(52.66)
Add: Other comprehensive income/ (loss)	(0.21)	16.09
Closing Balance	(36.78)	(36.57)
Total	63,879.09	53,117.45

Non-Controlling Interest

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	59.11	56.40
Profit for the year	3.57	6.92
Other comprehensive income	(0.05)	(0.02)
Interim dividend	-	(1.46)
Change in minority	(3.67)	(2.73)
Closing Balance	58.96	59.11

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Note 26.1 Interest Income

(₹ in millions)

Particulars	FY 2021-22 On financial assets measured at amortised cost	FY 2021-22 On financial assets classified at fair value through profit or loss	FY 2021-22 On financial assets classified at fair value through OCI	FY 2021-22 Total	FY 2020-21 On financial assets measured at amortised cost	FY 2020-21 On financial assets classified at fair value through profit or loss	FY 2020-21 On financial assets classified at fair value through OCI	FY 2020-21 Total
Interest on loans	53,391.17	-	6,833.11	60,224.28	45,495.17	-	7,480.78	52,975.95
Interest on investments	9.01	696.17	-	705.18	12.34	129.12	-	141.46
Interest on deposits with banks	900.12	-	-	900.12	827.29	-	-	827.29
Interest on inter corporate deposit	118.93	-	-	118.93	267.35	-	-	267.35
Other income	0.18	-	-	0.18	-	-	-	-
Total	54,419.41	696.17	6,833.11	61,948.69	46,602.15	129.12	7,480.78	54,212.05

Note 26.2 Dividend Income

The Group received dividend income amounting to ₹ 0.01 million (P.Y ₹ 59.44 million).

Note 27. Fees and Commission Income

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Administration Fees & Other charges	1,379.35	978.73
Insurance Commission	152.64	133.82
Total	1,531.99	1,112.55

Note 28. Net gain/(loss) on fair value changes

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	770.69	1,716.05
- Derivatives	-	-
Fair value changes		
- Realised	771.98	1,618.19
- Unrealised	(1.29)	97.86
Total net gain/(loss) on fair value changes	770.69	1,716.05

Note 29. Other Income

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Interest on income tax refund	6.75	1.22
Rent income	-	26.62
Profit on sale of fixed assets	3.59	2.92
Gain/(loss) on cancellation of forwards, swaps, options and modification	-	174.98
Profit on sale of Held for Sale Assets	15.39	-
Marketing, advertisement and support service fees	1,331.51	1,107.84
Miscellaneous income	341.90	185.56
Total	1,699.14	1,499.14

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Note 30. Finance Cost

(₹ in millions)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2021-22	FY 2020-21
Interest on debt securities (refer note 30.1)	8,498.16	8,345.89
Interest on borrowings (other than debt securities) (refer note 30.1)	17,804.30	15,091.90
Interest on subordinated liabilities	2,347.16	1,826.37
Interest on inter corporate deposit	91.95	88.93
Interest expense on lease - Ind AS 116	307.87	269.45
Other borrowing cost (refer note 30.1)	860.61	635.71
Total	**29,910.05**	**26,258.27**

Note 30.1: Includes foreign currency expenses amounting to ₹ 2,515.44 million (P.Y ₹ 2,014.39 million)

Note 31. Net (gain)/ loss on derecognition of financial instruments under amortised cost category

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
(A) Net (gain) on derecognition of financial instruments under amortised cost category		
- Interest strip on assignment of loans	(4,112.27)	(1,297.66)
(B) Net loss on derecognition of financial instruments under amortised cost category		
- Bad debts written off (net)	9,042.17	6,482.98

Note 32. Impairment on Financial Instruments

(₹ in millions)

Particulars	FY 2021-22			FY 2020-21		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(90.36)	8.78	(81.58)	4,754.65	88.20	4,842.85
Other financial assets	(85.82)	-	(85.82)	360.50	-	360.50
Total	**(176.18)**	**8.78**	**(167.40)**	**5,115.15**	**88.20**	**5,203.35**

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Note 33. Employee benefit expenses

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Salaries	8,313.33	6,448.56
Contribution to provident and other funds (refer note 33.1)	548.80	412.14
Leave encashment	91.18	88.67
Gratuity (refer note 33.2)	64.42	67.09
Staff welfare expenses*	270.12	196.94
Share based payments	19.48	17.51
Total	**9,307.33**	**7,230.91**

* Includes foreign currency expenses incurred amounting to ₹ 0.05 million (P.Y Nil)

33.1 Defined contribution plans

The Group has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Contribution to Provident fund	332.02	242.42
Contribution to Employee State Insurance Corporation	78.68	64.25
Contribution to Labour welfare fund	1.47	0.99
Company contribution to employee pension scheme	132.28	100.46
Contribution to NPS & IVTB	4.35	4.02
Total	**548.80**	**412.14**

33.2 Gratuity disclosure statement

Particulars	FY 2021-22			FY 2020-21		
	Finance	HFC	Samasta	Finance	HFC	Samasta
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 Period		01-Apr-21			01-Apr-20	
Date of Reporting		31-Mar-22			31-Mar-21	
Period of Reporting		12 Months			12 Months	

Assumptions	FY 2021-22			FY 2020-21		
Expected Return on Plan Assets		5.66% - 6.96%			5.18% - 6.85%	
Rate of Discounting		5.60% - 6.96%			5.18% - 6.85%	
Rate of Salary Increase		6.00% - 9.00%			6.00% - 9.00%	
Rate of Employee Turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	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 35.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 28.00% p.a. & thereafter 2.00% p.a.	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: 35.00%p.a For service 5 years and above: 10.00% p.a
Mortality Rate During Employment		Indian Assured Lives Mortality 2012-14 (Urban)			Indian Assured Lives Mortality (2006-08)	
Mortality Rate After Employment		N.A.			N.A.	

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(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Table Showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Year	281.15	246.37
Interest Cost	17.91	15.32
Current Service Cost	62.95	63.92
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	2.54	11.54
(Liability Transferred Out/ Divestments)	(3.27)	(13.52)
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	(0.05)	(8.28)
(Benefit Paid From the Fund)	(29.96)	(17.50)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.02)	(6.81)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(23.35)	(6.83)
Actuarial (Gains)/Losses on Obligations - Due to Experience	19.80	(3.04)
Present Value of Benefit Obligation at the End of the Year	327.70	281.17

(₹ in millions)

Table Showing Change in the Fair Value of Plan Assets	FY 2021-22	FY 2020-21
Fair Value of Plan Assets at the Beginning of the Year	258.92	193.93
Interest Income	16.89	12.15
Contributions by the Employer	50.07	65.54
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(29.95)	(17.50)
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(3.92)	4.80
Fair Value of Plan Assets at the End of the Year	292.01	258.92

(₹ in millions)

Amount Recognized in the Balance Sheet	FY 2021-22	FY 2020-21
(Present Value of Benefit Obligation at the end of the Year)	(327.70)	(281.17)
Fair Value of Plan Assets at the end of the Year	292.01	258.92
Funded Status (Surplus/ (Deficit))	(35.69)	(22.25)
Net (Liability)/Asset Recognized in the Balance Sheet	(35.69)	(22.25)
Assets recognised in the Balance Sheet under "Other non-financial assets"	11.78	8.25
Liabilities recognised in the Balance Sheet under "Provisions"	(47.47)	(30.50)

Unfunded gratuity- The above table does not depict unfunded gratuity liability amounting to ₹ 0.45 millions, correspondingly expense of the equivalent amount has been charged to Profit and Loss A/c

(₹ in millions)

Net Interest Cost for Current Year	FY 2021-22	FY 2020-21
Present Value of Benefit Obligation at the Beginning of the Year	281.15	246.37
(Fair Value of Plan Assets at the Beginning of the Year)	(258.92)	(193.93)
Net Liability/(Asset) at the Beginning	22.23	52.44
Interest Cost	17.91	15.32
(Interest Income)	(16.89)	(12.15)
Net Interest Cost for Current Year	1.02	3.17

(₹ in millions)

Expenses Recognized in the Statement of Profit or Loss for Current Year	FY 2021-22	FY 2020-21
Current Service Cost	62.95	63.92
Net Interest Cost	1.02	3.17
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	63.97	67.09

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(₹ in millions)

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year	FY 2021-22	FY 2020-21
Actuarial (Gains)/Losses on Obligation For the Year	(3.57)	(16.68)
Return on Plan Assets, Excluding Interest Income	3.92	(4.80)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Year Recognized in OCI	0.35	(21.48)

(₹ in millions)

Balance Sheet Reconciliation	FY 2021-22	FY 2020-21
Opening Net Liability	22.24	52.44
Expenses Recognized in Statement of Profit or Loss	63.97	67.09
Expenses Recognized in OCI	0.35	(21.48)
Net Liability/(Asset) Transfer In	2.52	11.55
Net (Liability)/Asset Transfer Out	(3.27)	(13.52)
(Benefit Paid Directly by the Employer)	(0.05)	(8.28)
(Employer's Contribution)	(50.07)	(65.54)
Net Liability/(Asset) Recognized in the Balance Sheet	35.69	22.25

(₹ in millions)

Category of Assets	FY 2021-22	FY 2020-21
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	292.01	258.22
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	292.01	258.22

Information for major category of plan assets of gratuity fund is not available with the Group and hence not disclosed.

(₹ in millions)

Net interest cost for next year	FY 2021-22	FY 2020-21
Present value of benefit obligation at the end of the year	6.42	281.16
(Fair value of plan assets at the end of the year)	(63.62)	(258.91)
Net liability/ (asset) at the end of the year	(57.20)	22.25
Interest cost	21.96	17.91
(Interest income)	(20.09)	(16.89)
Net interest cost for next year	1.87	1.02

(₹ in millions)

Expenses recognised in the Statement of Profit or Loss for next year	FY 2021-22	FY 2020-21
Current service cost	77.95	62.95
Net interest cost	1.87	1.02
(Expected contributions by the employees)	-	-
Expenses recognised	79.82	63.97

(₹ in millions)

Maturity Analysis of the Benefit Payments: From the Fund	FY 2021-22	FY 2020-21
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	6.89	15.74
2nd Following Year	9.26	5.47
3rd Following Year	10.72	7.24
4th Following Year	11.29	8.29
5th Following Year	12.09	8.68
Sum of Years 6 To 10	74.13	56.07
Sum of Years 11 and above	1,004.79	822.81

(₹ in millions)

Sensitivity Analysis	FY 2021-22	FY 2020-21
Projected Benefit Obligation on Current Assumptions	327.70	281.17
Delta Effect of +1% Change in Rate of Discounting	(44.42)	(38.67)
Delta Effect of -1% Change in Rate of Discounting	54.65	47.85
Delta Effect of +1% Change in Rate of Salary Increase	47.75	42.02
Delta Effect of -1% Change in Rate of Salary Increase	(40.61)	(35.66)
Delta Effect of +1% Change in Rate of Employee Turnover	(2.15)	(3.84)
Delta Effect of -1% Change in Rate of Employee Turnover	2.08	4.17

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.

Notes

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

Qualitative disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset liability matching risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

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

Characteristics of defined benefit plans

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

A separate trust fund is created to manage the Gratuity plan.

Note: The above information is as provided by the Actuary, which has been relied upon by the auditors.

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Note 34. Other Expenses

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Advertisement and marketing expenses (refer note 34.1)	500.54	323.70
Direct operating expenses	520.86	170.77
Bank charges	251.69	124.98
Commission to non whole-time directors	3.26	-
Communication costs	129.24	103.69
Electricity	153.53	114.87
Exchange and statutory charges	45.43	10.48
Legal & professional fees (refer note 34.1)	821.98	550.29
Directors sitting fees	13.39	12.01
Office expenses	201.09	160.93
Postage & courier	77.13	42.42
Printing & stationery	89.62	56.92
Rates & taxes	19.81	7.81
Rent	197.59	130.15
Repairs & maintenance		
- Computer	20.48	18.52
- Others (refer note 34.1)	138.87	73.66
Remuneration to auditors		
- Audit fees	9.99	7.52
- Certification / other services (refer note 34.2)	2.38	2.60
- Out of pocket expenses	0.61	0.77
Software charges (refer note 34.1)	392.56	226.72
Travelling & conveyance (refer note 34.1)	403.02	227.94
Corporate social responsibility expenses (refer note 43)	187.68	126.16
Miscellaneous expenses	84.45	58.51
Insurance premium	202.29	236.23
Security expenses	926.02	814.78
Loss on sale of fixed assets (net)	0.31	14.35
Total	**5,393.82**	**3,616.78**

Note 34.1: Includes below payments done in foreign currency

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Advertisement and marketing expenses	-	1.39
Travelling & conveyance	0.27	-
Repairs & maintenance- Others	0.26	-
Software charges	0.61	0.92
Legal & professional fees	13.93	1.76

Note 34.2: During the year the Group has paid ₹ 9.67 million (P.Y ₹ 2.30 million) to the auditors towards certification required under its Public Issue of Non Convertible Debentures and Secured Medium Term Note Programme, the same has been amortised over the tenure of the borrowings.

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Note 35. Income Taxes

(₹ in millions)

Amounts recognised in statement of profit or loss	FY 2021-22	FY 2020-21
Current tax expense		
Current year	3,277.76	3,173.53
Changes in estimates related to prior years	5.74	45.67
Deferred tax expense		
Origination and reversal of temporary differences	193.84	(779.46)
Total	**3,477.34**	**2,439.74**

(₹ in millions)

Amounts recognised in other comprehensive income	FY 2021-22			FY 2020-21		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability/ (asset)	(0.35)	0.09	(0.26)	21.48	(5.41)	16.07
Cash flow hedge (net)	(13.04)	(65.45)	(78.49)	(338.79)	85.27	(253.52)
Fair value of loans carried at FVTOCI	136.53	34.36	170.89	(7.64)	1.92	(5.72)
Total	**123.14**	**(31.00)**	**92.14**	**(324.95)**	**81.78**	**(243.17)**

(₹ in millions)

Reconciliation of income tax expense of the year to accounting year	FY 2021-22	FY 2020-21
Profit before tax	**15,359.84**	**10,047.84**
Tax using the Group's domestic tax rate	4,054.76	2,845.62
Tax effect of:		
Non-deductible expenses	56.02	35.88
Tax-exempt income - others (includes deduction under section 80JJAA)	(355.72)	(303.66)
Tax-exempt income- dividend	(158.32)	(186.90)
Income taxed at different rates	(40.78)	(72.90)
Others	1.02	6.37
Adjustments for current tax for prior periods	5.66	45.68
Differential tax rate in subsidiary	(99.52)	66.97
Recognition of previously unrecognised deductible temporary differences	14.22	2.68
Total income tax expense	**3,477.34**	**2,439.74**

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Note 36. Earnings Per Share

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 "Earnings per share".

Particulars		FY 2021-2022	FY 2020-2021
Face value of equity shares in ₹ fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss (₹ in millions)		11,878.93	7,601.18
Profit after tax attributable to equity share holders (₹ in millions)	A	11,878.93	7,601.18
Weighted average number of equity shares outstanding	B	379,194,372	378,417,476
Basic EPS (In ₹)	**A/B**	**31.33**	**20.09**
DILUTED			
Weighted average number of equity shares for computation of basic EPS		379,194,372	378,417,476
Add: Potential equity shares on account conversion of Employees Stock Options		2,254,850	806,252
Weighted average number of equity shares for computation of diluted EPS	C	381,449,222	379,223,728
Diluted EPS (In ₹)	**A/C**	**31.14**	**20.04**

Note 37. Risk Management

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

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. 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.

The Group has developed the necessary competency to identify early stress signals and has also 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.

The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. 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.

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. The Group 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. 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.

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 group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line 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 and 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.

Risk Management Practices

The Group has developed the necessary competency to identify early stress signals and has also 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.

It has initiated a detailed 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'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.

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 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.

37A.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 quality analysis

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

(₹ in millions)

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 using simplified approach	Total
Cash and cash equivalents	-	-	-	62,116.40	**62,116.40**
Bank Balance other than above	-	-	-	19,452.94	**19,452.94**
Receivables					
(i) Trade Receivables	341.02	3.85	0.03	1,487.85	**1,832.75**
(ii) Other Receivables	-	-	-	158.00	**158.00**
Loans *	261,052.97	21,225.39	9,723.54	-	**292,001.90**
Other Financial assets	-	-	-	9,515.38	9,515.38

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ in millions)

Particulars	As at March 31, 2021				
	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 using simplified approach	Total
Cash and cash equivalents	-	-	-	26,429.02	**26,429.02**
Bank Balance other than above	-	-	-	21,411.54	**21,411.54**
Receivables					
(i) Trade Receivables	306.35	-	2.95	1,616.42	**1,925.72**
(ii) Other Receivables	-	-	-	5.10	**5.10**
Loans *	250,831.64	36,661.05	8,121.49	-	**295,614.19**
Other Financial assets	-	-	-	5,096.69	**5,096.69**

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

Financial Assets measured using simplified approach:

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, other receivables 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.

37A.2. Collateral held

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

37A.3. Loss allowance and Exposure at default

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(₹ in millions)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-21	6,299.92	672.88	1,947.03	557.81	3,828.96	1,169.47	12,075.91	2,400.16
New loans disbursed during the year	3,234.19	242.21	167.50	18.24	886.09	27.44	4,287.78	287.89
Loans closed/written off during the year	(2,780.77)	(368.68)	(761.45)	(456.60)	(2,413.82)	(506.10)	(5,956.04)	(1,331.38)
Movement in provision without change in asset staging	(159.92)	41.31	716.38	37.00	443.15	399.45	999.61	477.76
Movement in provision due to change in asset staging	(182.08)	30.69	(111.43)	(42.78)	1,347.82	34.68	1,054.31	22.59
Closing ECL Mar-22	6,411.34	618.41	1,958.03	113.67	4,092.20	1,124.94	12,461.57	1,857.02

(₹ in millions)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-20	3,366.21	309.50	908.96	173.25	3,798.87	1,608.83	8,074.04	2,091.58
New loans disbursed during the year	1,808.82	145.65	506.54	412.97	895.56	34.83	3,210.92	593.45
Loans closed/written off during the year	(639.66)	(57.53)	(245.86)	(38.07)	(2,738.92)	(1,186.70)	(3,624.44)	(1,282.30)
Movement in provision without change in asset staging	1,914.63	282.17	567.95	(35.75)	594.16	428.52	3,076.74	674.94
Movement in provision due to change in asset staging	(150.08)	(6.91)	209.44	45.41	1,279.29	283.99	1,338.65	322.49
Closing ECL Mar-21	6,299.92	672.88	1,947.03	557.81	3,828.96	1,169.47	12,075.91	2,400.16

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The following tables show reconciliations from the opening to the closing balance of the exposure at default (EAD) by class of financial instrument.

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2021	295,179.81	23,859.05	33,977.70	2,681.50	6,962.27	1,163.53	336,119.78	27,704.09
New loans disbursed during the year	211,565.73	8,574.89	5,013.53	230.05	1,555.29	20.93	218,134.55	8,825.86
Loans closed/written off during the year	(131,306.03)	(10,332.00)	(17,980.69)	(1,542.24)	(3,894.86)	(505.02)	(153,181.58)	(12,379.26)
Movement in EAD without change in asset staging	(53,945.11)	4,174.79	(2,304.09)	(108.55)	(105.48)	272.56	(56,354.68)	4,338.80
Movement in EAD due to change in asset staging	(9,827.43)	(585.62)	1,690.47	111.85	4,084.70	167.97	(4,052.26)	(305.79)
Closing EAD Mar-2022	311,666.97	25,691.11	20,396.92	1,372.61	8,601.92	1,119.97	340,665.81	28,183.70

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2020	263,416.60	24,479.69	12,397.62	1,739.06	6,525.87	1,608.70	282,340.09	27,827.45
New loans disbursed during the year	158,027.67	10,176.67	17,084.87	1,091.60	1,279.17	32.55	176,391.71	11,300.82
Loans closed/written off during the year	(78,533.05)	(4,528.73)	(4,108.63)	(1,005.19)	(3,906.97)	(1,189.24)	(86,548.65)	(6,723.16)
Movement in EAD without change in asset staging	(28,939.48)	(6,140.77)	(343.38)	(25.73)	(59.66)	326.82	(29,342.52)	(5,839.68)
Movement in EAD due to change in asset staging	(18,791.93)	(127.81)	8,947.22	881.77	3,123.86	384.70	(6,720.85)	1,138.68
Closing EAD Mar-2021	295,179.81	23,859.05	33,977.70	2,681.50	6,962.27	1,163.53	336,119.78	27,704.09

37A.4. Write off

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 9,042.17 million(P.Y ₹ 6,482.98 million)

37A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when 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 Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in millions)

Particulars	FY 2021-2022	FY 2020-2021
Value of Modified Assets at the time of modification	23,729.08	30,311.96
Value of Modified Assets outstanding at end of year	25,093.50	29,561.57
Modification Gain/ (Loss)	45.41	(294.66)

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on February 22, 2019) and the "The Housing Finance Companies (NHB) Directions, 2010".

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37A.6. Credit Risk Grading of loans

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk – This category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category.

The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health
3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This 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.

Credit Grading details : (₹ in millions)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2022	337,358.08	21,769.53	9,721.89	368,849.50
March 31, 2021	319,038.86	36,659.20	8,125.80	363,823.86

37A.7. Concentration 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 various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

37B 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 marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate 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 (including financial guarantee) 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	1,643.91	30.58	-	31.69	1,482.94	98.70	-
Trade payables	1,424.27	1,402.26	1.87	9.91	0.40	9.83	-
Other payables	99.06	99.06	-	-	-	-	-
Finance lease obligation *	4,603.27	246.28	243.30	516.73	1,577.24	1,103.91	915.81
Debt securities	75,612.48	8,341.54	1,555.41	2,402.52	41,262.26	5,263.18	19,342.28
Borrowings (other than debt securities) (Note 1)	253,640.81	18,269.90	19,589.51	42,792.30	118,501.85	30,442.24	23,680.85
Subordinated liabilities	24,298.04	387.46	311.47	282.82	1,750.00	333.99	22,214.37
Other financial liabilities	28,206.34	27,914.46	31.69	-	-	260.19	-
Financial guarantee contracts	8,454.96	8,454.96	-	-	-	-	-
Total	**397,983.14**	**65,146.50**	**21,733.25**	**46,035.97**	**164,574.69**	**37,512.04**	**66,153.31**

(₹ in millions)

Contractual maturities of financial liabilities (including financial guarantee) 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	1,565.76	-	212.88	18.13	1,265.89	68.86	-
Trade payables	1,093.91	1,031.71	-	62.20	-	-	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation *	4,357.20	193.75	191.42	379.08	1,380.88	1,022.86	1,189.18
Debt securities	78,341.69	6,829.41	5,003.51	16,308.06	42,238.82	1,591.89	6,370.00
Borrowings (other than debt securities) (Note 1)	216,262.45	25,077.17	26,172.76	33,008.04	78,614.62	32,329.98	21,059.88
Subordinated liabilities	21,349.52	-	620.00	3,489.71	1,230.00	1,317.08	14,692.73
Other financial liabilities	20,913.77	20,862.48	-	2.18	49.11	-	-
Financial guarantee contracts	12,255.43	12,255.43	-	-	-	-	-
Total	**356,139.73**	**66,249.98**	**32,200.57**	**53,267.40**	**124,779.32**	**36,330.67**	**43,311.79**

* The amount represent undiscounted cash flows

Note 1: Borrowings includes cash credit facilities, has been slotted in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

Note 2: In computing the above information with respect to cash credit and overdraft facilities with Banks, the Management has made certain estimates and assumptions which have been relied upon by the auditors.

(ii) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period: (₹ in millions)

	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	17,798.73	6,131.55
- Expiring beyond one year (bank loans)	-	-

37C 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 and Foreign exchange risk.

37C.1 Interest rate risk

(a) The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows: (₹ in millions)

	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	184,199.71	143,807.25
Fixed rate borrowings	168,360.03	172,146.41
Total borrowings	**352,559.74**	**315,953.66**

The Group had the following variable rate borrowings outstanding and cross currency interest rate swap contracts outstanding: (₹ in millions)

	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate (%)	Balance	% of total borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	8.59%	176,339.21	50.02%	8.63%	133,652.50	42.30%
External Commercial borrowings	8.62%	7,579.25	2.15%	8.62%	7,311.00	2.31%
Non convertible debentures	7.51%	281.25	0.08%	9.15%	2,843.75	0.90%
Net exposure to cash flow interest rate risk		**184,199.71**			**143,807.25**	
Currency Interest Rate Swaps	9.36%	**3,876.44**	1.10%	9.36%	**3,675.23**	1.16%

An analysis by maturities is provided in note 37(B)(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.

The Group had the following variable rate loans outstanding:

(₹ in millions)

	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
Floating rate loans	11.44%	158,629.60	45.17%	11.66%	150,243.89	42.95%

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)

(₹ in millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest rates – increase by 30 basis points	(413.52)	(322.84)	-	-
Interest rates – decrease by 30 basis points	413.52	322.84	-	-

Profit or loss is sensitive to higher/lower interest income from loans as a result of changes in interest rates (assuming other variable constant)

(₹ in millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest rates – increase by 30 basis points	356.12	337.29	-	-
Interest rates – decrease by 30 basis points	(356.12)	(337.29)	-	-

37C.2. 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).

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards and / or Cross Currency Interest Rate Swaps (CCRIS) 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.

The Group's currency position is as under

(₹ in millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	458.52	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	1,545.22	-	-	-	-	-
Net Gap as at 31.03.2022	(1,086.70)	-	-	-	-	-

(₹ in millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign Currency Assets (in INR)*	416.88	-	-	-	-	-
Foreign Currency Liabilities (in INR)*	1,478.77	-	-	-	-	-
Net Gap as at 31.03.2021	(1,061.89)	-	-	-	-	-

*It is fully hedged by forward contract and CCIRS

Sensitivity :

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD sensitivity				
INR/USD -Increase by 5%	-	-	(1,343.34)	(1,323.97)
INR/USD -Decrease by 5%	-	-	1,343.34	1,323.97

The sensitivity on profit and loss is due to the timing difference of the maturity of the Cross currency interest rate swap. On the date of maturity of the Cross currency interest rate swap, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

37C.3. Price Risk

(a) Exposure

The Group's exposure to assets having price risk is as under

(₹ in millions)

Particulars	Equity Share	Mutual Funds /Alternate investment funds/ others	Bonds	Security Receipts	Total
Market Value as on March 31, 2022	0.50	10,992.21	-	833.00	11,825.71
Market Value as on March 31, 2021	0.50	189.24	-	-	189.74

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Increase 5%	442.47	7.10	-	-
Decrease 5%	(442.47)	(7.10)	-	-

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37D. 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 in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

37E. 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.In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:

(₹ in millions)

Particulars	As at March 31, 2022		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	62,116.40
Bank Balance other than (a) above	-	-	19,452.94
Derivative financial instruments	98.69	644.12	-
Receivables			
(i) Trade receivables	-	-	1,831.95
(ii) Other receivables	-	-	158.00
Loans	-	56,624.60	280,304.34
Investments	11,825.21	-	96.40
Other financial assets	-	-	9,237.85
Total financial assets	**11,923.90**	**57,268.72**	**373,197.88**
Financial liabilities			
Derivative financial instruments	98.69	1,545.22	-
Trade payables	-	-	1,824.27
Other Payables	-	-	99.06
Finance lease obligation	-	-	3,606.78
Debt securities	-	-	78,580.78
Borrowings (other than debt securities)	-	-	252,190.28
Subordinated liabilities	-	-	25,680.89
Other financial liabilities	-	-	28,206.34
Total financial liabilities	**98.69**	**1,545.22**	**390,588.00**

(₹ in millions)

Particulars	As at March 31, 2021		
	Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	28,420.02
Bank Balance other than (a) above	-	-	21,411.54
Derivative financial instruments	86.99	416.88	-
Receivables			
(i) Trade receivables	-	-	1,922.77
(ii) Other receivables	-	-	5.10
Loans	-	52,171.66	283,159.54
Investments	188.24	-	126.47
Other financial assets	-	-	4,903.70
Total financial assets	**275.23**	**52,588.54**	**337,958.54**
Financial liabilities			
Derivative financial instruments	86.99	1,478.77	-
Trade payables	-	-	1,093.91
Finance lease obligation	-	-	3,265.02
Debt securities	-	-	83,903.50
Borrowings (other than debt securities)	-	-	216,243.58
Subordinated liabilities	-	-	23,013.28
Other financial liabilities	-	-	20,913.77
Total financial liabilities	**86.99**	**1,478.77**	**347,839.06**

37E. 1. Financial instruments measured at fair value – Fair value hierarchy

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.

37E.2. Valuation methodologies of financial instruments measured at fair value

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.
(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
(iii) Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
(v) Equity instruments in listed entities that are quoted market prices (unadjusted) in active markets for identical instruments are classified at level 1.
(vi) Government Securities are valued based on the closing price published by CCIL/ FIMMDA for March 2020 respectively and are classified as level 2.
(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs.
(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
(x) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.
(xi) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2022	Level 1	Level 2	Level 3	Total	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	644.12	-	644.12	644.12
Call option included under Debt securities & Subordinated liabilities	-	98.69	-	98.69	98.69
Loans - classified under FVOCI	-	-	56,624.60	56,624.60	56,624.60
Investments	0.04	5,893.91	9,552.67	15,446.62	15,446.62
(i) Mutual Funds/Alternate Investment fund / Others	0.04	1,440.00	9,552.17	10,992.21	10,992.21
(ii) Security Receipts	-	4,453.91	-	4,453.91	4,453.91
(iii) Equity	-	-	0.50	0.50	0.50
Total financial assets	0.04	6,636.72	66,177.27	72,814.03	72,814.03
Financial liabilities					
Forward rate agreements /CCIRS	-	1,545.22	-	1,545.22	1,545.22
Interest rate derivative	-	-	-	-	-
Call option included under Debt securities & Subordinated liabilities	-	98.69	-	98.69	98.69
Total financial liabilities	-	1,643.91	-	1,643.91	1,643.91

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2021	Level 1	Level 2	Level 3	Total	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	416.88	-	416.88	416.88
Call option included under Debt securities & Subordinated liabilities	-	86.99	-	86.99	86.99
Loans - classified under FVOCI	-	-	52,171.66	52,171.66	52,171.66
Investments	118.18	-	71.06	189.24	189.24
(i) Mutual Funds/Alternate Investment fund / Others	118.18	-	71.06	189.24	189.24
Total financial assets	118.18	503.87	52,242.72	52,864.77	52,864.77
Financial liabilities					
Forward rate agreements /CCIRS	-	1,265.89	-	1,265.89	1,265.89
Interest rate derivative	-	212.88	-	212.88	212.88
Call option included under Debt securities & Subordinated liabilities	-	86.99	-	86.99	86.99
Total financial liabilities	-	1,565.76	-	1,565.76	1,565.76

37E.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.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

Loans, Debts, Borrowings and Subordinated Debts

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. Loans and advances are presented net of provisions for impairment.

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Total fair value	Carrying Value	Valuation Hierarchy
Financial assets			
Cash and cash equivalents	62,116.40	62,116.40	
Bank Balance other than included above	19,452.94	19,452.94	
Receivables			
(i) Trade Receivables	1,831.35	1,831.35	
(ii) Other Receivables	158.00	158.00	
Loans	272,183.14	280,304.34	Level 3
Investment in debt securities	96.40	96.40	
Other Financial assets	9,237.85	9,237.85	
Total financial assets	**365,076.68**	**373,197.88**	
Financial Liabilities			
Trade Payables	1,424.27	1,424.27	
Finance lease obligation	3,606.78	3,606.78	
Debt Securities *	76,428.58	78,380.78	Level 3
Borrowings (Other than debt securities)	241,828.35	253,190.38	Level 3
Subordinated Liabilities	25,918.60	25,680.49	Level 3
Other financial liabilities	28,206.34	28,206.34	
Total financial liabilities	**377,612.92**	**390,488.94**	

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2021	Total fair value	Carrying Value	Valuation Hierarchy
Financial assets			
Cash and cash equivalents	26,429.02	26,429.02	
Bank Balance other than included above	21,411.54	21,411.54	
Receivables			
(i) Trade Receivables	1,922.77	1,922.77	
(ii) Other Receivables	5.10	5.10	
Loans	280,587.05	283,160.34	Level 3
Investment in debt securities	126.47	126.47	
Other Financial assets	4,903.70	4,903.70	
Total financial assets	**335,385.65**	**337,958.94**	
Financial Liabilities			
Trade Payables	1,093.91	1,093.91	
Finance lease obligation	3,265.02	3,265.02	
Debt Securities *	82,107.08	83,301.50	Level 3
Borrowings (Other than Debt Securities)	216,339.22	216,243.58	Level 3
Subordinated Liabilities	23,278.11	23,015.28	Level 3
Other financial liabilities	20,913.77	20,913.77	
Total financial liabilities	**346,993.11**	**347,833.06**	

* For MTN Bond book value is been considered as fair value.

37.E.4 Movements in Level 3 financial instruments measured at fair value :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in millions)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2021	52,171.66	71.06	0.50
Issuances	124,443.75	10,526.43	-
Re-classified to amortised cost	(8,210.67)		
Sale of financial instrument classified as level 3 at the beginning of the financial year	(111,780.14)	(1,740.46)	-
Total gain /losses recognised in profit and loss	-	695.14	-
Transfers in	-	-	-
Transfers out	-	-	-
Balances as at March 31, 2022	56,624.60	9,552.17	0.50
Unrealised gain /losses related to balances held at the end of financial year	-	685.47	-

(₹ in millions)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2020	58,110.66	50.01	989.00
Issuances	69,756.05	12.44	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(75,695.05)	(0.06)	(1,450.00)
Total gain /losses recognised in profit and loss	-	8.67	461.50
Transfers in	-	-	-
Transfers out	-	-	-
Balances as at March 31, 2021	52,171.66	71.06	0.50
Unrealised gain /losses related to balances held at the end of financial year	-	(9.46)	-

37 F. Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2021, the Group 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 Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognised financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Financial assets derecognised during the year	111,780.13	75,695.04
Gain from derecognition	5,152.15	2,445.34

37 G. Transferred financial assets that are recognised in their entirety:

The Group 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 Group 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	24,065.08	38,495.62
Carrying amount of associated liabilities	24,065.08	38,484.40
Fair value of assets	24,057.58	38,418.47
Fair value of associated liabilities	24,060.98	38,497.25
Net position at Fair value	-	-

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Note 38. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:

Contingent Liabilities:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
In respect of Income tax demands (refer note a and e)	663.07	486.49
In respect of Service tax demands (including interest accrued and refer note b)	831.66	617.50
In respect of Profession Tax demands (refer note c)	1.55	1.55
In respect of Bank guarantees given (refer note d)	8,454.96	12,255.43
In respect of Corporate guarantees given	233.40	233.40
In respect of legal case/ penalties/others	1.58	1.15
Contingent liability in respect of credit enhancement for securitisation transaction	1,956.72	1,900.56
In respect of Stamp Duty (refer note f)	166.60	-

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to service tax demand ₹ 18.92 million (P.Y ₹ 18.92 million)

(c) Amount paid under protest with respect to profession tax demand ₹ 0.47 million (P.Y ₹ 0.47 million)

(d) The above guarantee has been given on behalf of subsidiaries/group companies.

(e) Amount paid under protest with respect to income tax demand is ₹ 417.70 million (P.Y ₹ 233.89 million).

(f) The Group has received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand has been raised for a sum of ₹ 750.00 million. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and IIFL Wealth Management Limited equally. The Company has appealed against the same and paid ₹ 83.40 million under protest towards its share of the liability and shown ₹ 166.60 million as Contingent.

(g) Apart from the above, Group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's financial position.

Commitments not provided for:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Commitments related to loans sanctioned but undrawn	24,831.13	15,670.79
Estimated amount of contracts remaining to be executed on capital and operating account	187.51	325.42
Commitments related to alternate investment funds	205.95	20.16

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED MUMBAI 400 069 CHARTERED ACCOUNTANTS

Note 39. Employee stock option

The Group has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2022 ESOP 2008	As at March 2021 ESOP 2008
Number of Option outstanding	1,147,105	331,525
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017, 04-Sep-2020, 06-May-2021, 20-Aug-2021 and 22-Dec-2021.	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017 and 04-Sep-2020
Grant Price (₹ Per Share)	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71, ₹ 126.64, ₹ 252.00 and ₹ 271.40	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71 and ₹ 126.64

(b) (i) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**331,525**	**82.02-218.71**	**93.70**	**2.65**
Granted during the year	925,000	252.00-271.40	252.52	-
Expired/forfeited during the year	14,360	82.02	82.65	-
Exercised during the year	95,060	82.02-82.73	82.04	-
Outstanding as on March 31, 2022	**1,147,105**	**82.02-218.71**	**222.89**	**5.44**
Exercisable as on March 31, 2022	**177,105**	**82.02-218.71**	**92.54**	**1.14**

b) (ii) Movement of options during year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2020	**434,937**	**61.40-218.71**	**87.76**	**2.89**
Granted during the year	50,000	126.64	126.64	-
Expired/forfeited during the year	27,315	82.02-218.71	132.06	-
Exercised during the year	126,097	61.40-82.73	77.95	-
Outstanding as on March 31, 2021	**331,525**	**82.02-218.71**	**93.70**	**2.65**
Exercisable as on March 31, 2021	**276,725**	**82.02-218.71**	**85.58**	**1.96**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	2021-22			2020-21
	06-May-21	19-Aug-21	22-Dec-21	04-Sep-20
Stock price (₹)	252.00	252.00	271.40	87.85
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.66	5.77%	5.81%	6.56%
Exercise price (₹)	252.00	252.00	271.40	126.64
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	34.72	35.40	35.40	21.10

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Group has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2022 ESOP 2020	As at March 2021 ESOP 2020
Number of Option outstanding	3,572,033	4,433,233
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

(b) (i) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**4,433,233**	**61.48 -182.22**	**150.40**	**4.06**
Granted during the year	-	-	-	-
Expired/forfeited during the year	198,225	177.04-182.22	177.37	-
Exercised during the year	662,975	61.48-182.22	118.03	-
Outstanding as on March 31, 2022	**3,572,033**	**61.48 -182.22**	**154.91**	**3.19**
Exercisable as on March 31, 2022	**2,031,205**	**61.48-182.22**	**150.73**	**3.05**

(b) (ii) Movement of options during the year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2020	**8,265,678**	**61.48 -182.22**	**157.65**	**5.15**
Granted during the year	-	-	-	-
Expired/forfeited during the year	3,458,788	61.48-182.22	173.65	-
Exercised during the year	373,657	61.48-182.22	95.69	-
Outstanding as on March 31, 2021	**4,433,233**	**61.48 -182.22**	**150.40**	**4.06**
Exercisable as on March 31, 2021	**2,001,004**	**61.48 -182.22**	**132.44**	**3.57**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	21-Nov-18	04-Sep-18	02-May-18	02-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59%	59%	59%	59%
Risk-free Rate	7.21% - 7.40%	7.21% - 7.44%	7.13% - 7.40%	7.13% - 7.34%
Exercise price (₹)	177.04	177.04	142.22	142.22
Time to Maturity (Years)	5.39	5.43	5.09	4.84
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	102.29	102.87	106.78	106.94

Particulars	ESOP 2020		
	18-Sep-19	18-Jan-19	18-Jan-19
Stock price (₹)	179.63	179.63	179.63
Volatility	59%	59%	59%
Risk-free Rate	7.34% - 7.49%	7.28% - 7.49%	7.28% - 7.44%
Exercise price (₹)	129.63	182.22	182.22
Time to Maturity (Years)	6.22	5.80	5.55
Dividend yield	1.00%	1.00%	1.00%
Weight Average Value (₹)	118.06	161.25	102.16

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Merchant Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

Note 40. Additional Dislcoure requirements

(i) Relationship with Struck off Companies

The Group has not entererd into any transactions with strike off companies

(ii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance with number of layers of companies

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Group.

(iv) Utilisation of Borrowed funds and share premium

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:-

(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed income

The Group has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Group does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(b) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2022.

(ix) Wilful Defaulter

The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Group

Except the details as disclosed below all the title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

Title deeds of Immovable Property not held in name of the Group

(₹ 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 Group
Investment Property (Refer note 12)	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 17)	Building (19 Properties)	96.99	Borrowers to whom loan has been given	No	Various dates	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.

(xi) Disclosure on Loans and Advances

The Group 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 promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

CHHAJED & DOSHI MUMBAI 400 063 CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

41. List of Related Parties

Nature of relationship	Name of party *
Key managerial personnel	Mr.Nirmal Jain
	Mr.R. Venkataraman
	Mr. Sumit Bali (upto June 30, 2020)
	Mr.Rajesh Rajak
Other related parties	IIFL Securities Limited
	IIFL Management Services Limited
	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
	IIFL Wealth Management Limited
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	India Infoline Foundation
	India Infoline Employee Trust
	IIFL Asset Management Limited
	IIFL Wealth Finance Limited
	5paisa Capital Limited
	Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)
	5paisa P2P Limited
Relatives of Key managerial personnel	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian) w.e.f September 06, 2021

* The above list includes related parties with whom the transactions have been carried out during the year.

CHHAJED & DOSHI MUMBAI 400 089. CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

41.1 Significant transactions with related parties

(₹ in millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Interest income			
5paisa Capital Limited	50.73	-	50.73
	(118.20)	-	(118.20)
IIFL Management Services Limited	0.13	-	0.13
	(28.17)	-	(28.17)
IIFL Facilities Services Limited	20.40	-	20.40
	(119.67)	-	(119.67)
IIFL Securities Limited	47.55	-	47.55
	(1.30)	-	(1.30)
Mr. Shankar Subramanian	-	0.22	0.22
	-	-	-
Interest expense			
IIFL Facilities Services Limited	90.13	-	90.13
	(84.47)	-	(84.47)
IIFL Management Services Limited	19.59		19.59
	-	-	-
IIFL Wealth Finance Limited	11.72	-	11.72
	-	-	-
IIFL Securities Limited	8.12	-	8.12
	(4.45)	-	(4.45)
Trademark License Fee			
IIFL Securities Limited	-	-	-
	(0.10)	-	(0.10)
Donation paid			
India Infoline Foundation	152.70	-	152.70
	(118.60)	-	(118.60)
Arranger/ processing fees /brokerage on non convertible debenture/merchant banking fees			
IIFL Wealth Management Limited	43.90	-	43.90
	(129.62)	-	(129.62)
IIFL Securities Limited	464.60	-	464.60
	(4.08)	-	(4.08)
5paisa Capital Limited	-	-	-
	(0.68)	-	(0.68)
Mr. Shankar Subramanian	-	0.01	0.01
	-	-	-
Rent expenses			
IIFL Facilities Services Limited	19.24	-	19.24
	(17.50)	-	(17.50)
Commission / brokerage expense			
IIFL Securities Limited	0.88	-	0.88
	(0.19)	-	(0.19)
Remuneration paid			
Mr.Nirmal Jain	-	86.72	86.72
	-	(80.01)	(80.01)
Mr.Sumit Bali	-	-	-
	-	(5.41)	(5.41)

(₹ in millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Equity dividend paid			
India Infoline Emoloyee Trust	0.26	-	0.26
	(0.23)	-	(0.23)
ICD/loan taken			
IIFL Facilities Services Limited	42,955.96	-	42,955.96
	(51,081.50)	-	(51,081.50)
IIFL Securities Limited	2,000.00	-	2,000.00
	(25,650.00)	-	(25,650.00)
ICD/loan returned			
IIFL Facilities Services Limited	42,955.96	-	42,955.96
	(51,081.50)	-	(51,081.50)
IIFL Securities Limited	2,000.00	-	2,000.00
	(25,650.00)	-	(25,650.00)
ICD/loan given			
5paisa Capital Limited	6,000.00	-	6,000.00
	(28,130.00)	-	(28,130.00)
IIFL Facilities Services Limited	26,635.00	-	26,635.00
	(27,037.00)	-	(27,037.00)
IIFL Management Services Limited	500.00	-	500.00
	-	-	-
IIFL Securities Limited	17,390.00	-	17,390.00
	(4,367.50)	-	(4,367.50)
ICD/loan received back			
5paisa Capital Limited	6,000.00	-	6,000.00
	(29,130.00)	-	(29,130.00)
IIFL Management Services Limited	500.00	-	500.00
	(569.10)	-	(569.10)
IIFL Facilities Services Limited	26,635.00	-	26,635.00
	(29,761.50)	-	(29,761.50)
IIFL Securities Limited	17,390.00	-	17,390.00
	(4,367.50)	-	(4,367.50)
Allocation / reimbursement of expenses paid			
IIFL Securities Limited	137.05	-	137.05
	(124.95)	-	(124.95)
IIFL Management Services Limited	2.62	-	2.62
	(5.22)	-	(5.22)
IIFL Facilities Services Limited	22.13	-	22.13
	(17.29)	-	(17.29)
5paisa Capital Limited	0.42	-	0.42
	-	-	-
IIFL Wealth Management Limited	-	-	-
	(4.15)	-	(4.15)

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

(₹ in millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Allocation / reimbursement of expenses paid others			
IIFL Facilities Services Limited	2.00	-	2.00
	(3.17)	-	(3.17)
IIFL Insurance Brokers Limited	0.11	-	0.11
	(0.57)	-	(0.57)
5paisa Capital Limited	3.96	-	3.96
	(3.03)	-	(3.03)
5paisa P2P Limited	0.01	-	0.01
	(0.03)	-	(0.03)
IIFL Management Services Limited	0.33	-	0.33
	(0.43)	-	(0.43)
IIFL Securities Limited	22.87	-	22.87
	(12.17)	-	(12.17)
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	0.19	-	0.19
	-	-	-
IIFL Wealth Management Limited	-	-	-
	(0.12)	-	(0.12)
Allocation / reimbursement of expenses received			
IIFL Facilities Services Limited	0.87	-	0.87
	(3.96)	-	(3.96)
IIFL Management Services Limited	0.26	-	0.26
	(0.31)	-	(0.31)
5paisa Capital Limited	8.71	-	8.71
	(4.57)	-	(4.57)
IIFL Securities Limited	31.46	-	31.46
	(33.53)	-	(33.53)
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	0.09	-	0.09
	-	-	-
IIFL Wealth Management Limited	-	-	-
	(0.18)	-	(0.18)
Allocation / reimbursement of expenses received others			
IIFL Facilities Services Limited	1.02	-	1.02
	(1.33)	-	(1.33)
IIFL Management Services Limited	0.04	-	0.04
	(0.94)	-	(0.94)
IIFL Insurance Brokers Limited	0.70	-	0.70
	(0.29)	-	(0.29)
IIFL Asset Management Limited	-	-	-
	(0.59)	-	(0.59)
India Infoline Foundation	-	-	-
	-	-	-
5paisa Capital Limited	1.30	-	1.30
	(0.95)	-	(0.95)
5paisa P2P Limited	-	-	-
	(0.08)	-	(0.08)
IIFL Commodities Limited	-	-	-
	(0.63)	-	(0.63)
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	0.33		0.33
	-		-
IIFL Securities Limited	10.10	-	10.10
	(7.96)	-	(7.96)
Security Deposit Paid			
IIFL Facilities Services Limited	0.43	-	0.43
	-	-	-

(₹ in millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Sale of investment			
IIFL Wealth Finance Limited	-	-	-
	(2,011.10)	-	(2,011.10)
Non convertible debenture Issued			
IIFL Facilities Services Limited	0.40	-	0.40
	(1,000.00)	-	(1,000.00)
IIFL Securities Limited	500.00	-	500.00
	(751.80)	-	(751.80)
IIFL Management Services Limited	943.00	-	943.00
	-	-	-
Non convertible debenture Redeemed			
IIFL Wealth Finance Limited	-	-	-
	(1,038.43)	-	(1,038.43)
IIFL Facilities Services Limited	-	-	-
	(222.11)	-	(222.11)
Investment in Non convertible debentures/Buyback			
IIFL Management Services Limited	1,081.09	-	1,081.09
	-	-	-

Note 41.2 Closing balances with related parties

(₹ in millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
Other payable			
IIFL Facilities Services Limited	1.31	-	1.31
	-	-	-
5paisa Capital Limited	1.75	-	1.75
	(2.17)	-	(2.17)
5paisa P2P Limited	-	-	-
	(0.01)	-	(0.01)
IIFL Wealth Management Limited	40.25	-	40.25
	(10.90)	-	(10.90)
IIFL Management Services Limited	-	-	-
	(0.00)	-	(0.00)
IIFL Insurance Brokers Limited	-	-	-
	(0.36)	-	(0.36)
IIFL Securities Limited	12.61	-	12.61
	(4.52)	-	(4.52)
Other receivable			
IIFL Management Services Limited	0.06	-	0.06
	-	-	-
IIFL Facilities Services Limited	-	-	-
	(1.87)	-	(1.87)
IIFL Insurance Brokers Limited	0.42	-	0.42
	-	-	-
Livlong Protection & Wellness Solutions Limited (Formely IIFL Corporate Services Limited)	0.50	-	0.50
	-	-	-
India Infoline Foundation	54.90	-	54.90
	-	-	-

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2022

(₹ in millions)

Nature of Transaction	Other related parties	Key Managerial Personnel and their relatives	Total
IIFL Wealth Management Limited	-	-	-
	-	-	-
Security Deposit receivable			
IIFL Facilities Services Limited	9.18	-	9.18
	(8.75)	-	(8.75)
Outstanding non convertible debenture issued			
IIFL Facilities Services Limited	0.01	-	0.01
	-	-	-
IIFL Management Services Limited	40.00	-	40.00
	(22.22)	-	(22.22)
IIFL Securities Limited	523.00	-	523.00
	(40.90)	-	(40.90)
IIFL Wealth Finance Limited	267.00	-	267.00
	(218.00)	-	(218.00)
Interest accrued on outstanding non convertible debenture issued			
IIFL Facilities Services Limited	0.00	-	0.00
	-	-	-
IIFL Management Services Limited		-	-
	(3.46)	-	(3.46)
IIFL Securities Limited	19.67	-	19.67
	(1.91)	-	(1.91)
IIFL Wealth Finance Limited	19.67	-	19.67
	-	-	-
Loan receivable			
Mr. Shankar Subramanian	-	2.02	2.02
	-	-	-
Gratuity payable*			
Mr.Nirmal Jain	-	1.47	1.47
	-	(1.43)	(1.43)
Leave encashment payable*			
Mr.Nirmal Jain	-	6.44	6.44
	-	(4.59)	(4.59)

* Based on acturial valuation report
#Amount is less than ₹ 0.01 mn hence shown as ₹ 0.00 mn wherever applicable.
(Figure in bracket represents previous year figures)

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2022

Note 42.1. Maturity analysis of assets and liabilities as at March 31, 2022

(₹ in millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	62,116.40	-	62,116.40
(b)	Bank balance other than (a) above	14,140.66	5,312.28	19,452.94
(c)	Derivative financial instruments	-	742.81	742.81
(d)	Receivables			
	(i) Trade receivables	1,831.75	0.20	1,831.95
	(ii) Other receivables	158.00	-	158.00
(e)	Loans	149,408.85	187,520.09	336,928.94
(f)	Investments	3.35	11,918.26	11,921.61
(g)	Other financial assets	1,645.92	7,591.93	9,237.85
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	16.36	2,325.30	2,341.66
(b)	Deferred tax assets (net)	-	2,858.11	2,858.11
(c)	Investment property	-	2,951.94	2,951.94
(d)	Property, plant and equipment	-	1,505.22	1,505.22
(e)	Capital work-in-progress	51.40	5.04	56.44
(f)	Right to use assets	-	3,275.30	3,275.30
(g)	Other intangible assets	-	21.12	21.12
(h)	Other non-financial assets	1,033.47	2,492.48	3,525.95
(i)	Assets held for sale	175.51	-	175.51
	Total Assets	**230,581.67**	**228,520.08**	**459,101.75**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	62.26	1,581.65	1,643.91
(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	1,413.99	10.28	1,424.27
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	99.06	-	99.06
(c)	Finance lease obligation	754.26	2,852.52	3,606.78
(d)	Debt securities	12,387.82	65,992.96	78,380.78
(e)	Borrowings (other than debt securities)	80,638.30	172,551.98	253,190.28
(f)	Subordinated liabilities	978.22	24,702.27	25,680.49
(g)	Other financial liabilities	27,946.17	260.17	28,206.34
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	502.09	-	502.09
(b)	Provisions	504.24	136.83	641.07
(c)	Other non-financial liabilities	1,029.43	-	1,029.43
[3]	**EQUITY**			
(a)	Equity share capital	-	759.20	759.20
(b)	Other equity		63,879.09	63,879.09
(c)	Non-controlling interest	-	58.96	58.96
	Total Liabilities and Equity	**126,315.84**	**332,785.91**	**459,101.75**

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
Notes forming part of consolidated Financial Statements as at and for the year ended March 31, 2022

Note 42.2. Maturity analysis of assets and liabilities as at March 31, 2021

(₹ in millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	26,429.02	-	26,429.02
(b)	Bank balance other than (a) above	18,373.21	3,038.33	21,411.54
(c)	Derivative financial instruments	-	503.87	503.87
(d)	Receivables			
	(i) Trade receivables	1,922.77	-	1,922.77
	(ii) Other receivables	5.10	-	5.10
(e)	Loans	158,733.12	176,598.48	335,331.60
(f)	Investments	4.23	311.48	315.71
(g)	Other financial assets	1,923.40	2,980.30	4,903.70
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	16.13	2,612.24	2,628.37
(b)	Deferred tax assets (net)	-	3,111.43	3,111.43
(c)	Investment property	-	2,710.60	2,710.60
(d)	Property, plant and equipment	-	1,042.92	1,042.92
(e)	Capital work-in-progress	-	65.61	65.61
(f)	Right to use assets	-	2,985.99	2,985.99
(g)	Other intangible assets	-	11.45	11.45
(h)	Other non-financial assets	463.21	2,686.80	3,150.01
(i)	Assets held for sale	139.46	-	139.46
	Total Assets	**208,009.65**	**198,659.50**	**406,669.15**
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	212.88	1,352.88	1,565.76
(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	1,093.91	-	1,093.91
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	515.51	2,749.51	3,265.02
(d)	Debt securities	32,601.10	50,702.40	83,303.50
(e)	Borrowings (other than debt securities)	84,287.27	131,956.31	216,243.58
(f)	Subordinated liabilities	5,292.78	17,726.50	23,019.28
(g)	Other financial liabilities	20,864.65	49.12	20,913.77
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	509.61	514.78	1,024.39
(b)	Provisions	374.84	120.91	495.75
(c)	Other non-financial liabilities	1,809.95	-	1,809.95
[3]	**EQUITY**			
(a)	Equity share capital	-	757.68	757.68
(b)	Other equity	-	53,117.45	53,117.45
(c)	Non-controlling interest	-	59.11	59.11
	Total Liabilities and Equity	**147,562.50**	**259,106.65**	**406,669.15**

CHHAJED & DOSHI MUMBAI 400 083 CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 43. Corporate Social Responsibility:

During the financial year 2021-2022, the Group has spent ₹ 127.38 million (P.Y. ₹ 126.16 million) out of the total amount of ₹ 187.68 million (P.Y. ₹ 126.16 million) resulting into shortall of ₹ 60.29 million (P.Y. ₹ Nil). The shorfall amount pertains towards the ongoing projects. The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2022-23.The aforementioned amount has been contributed to India Infoline Foundation.

Note 44. Additional information pursuant to para 2 of general instructions for the preparations of Consolidated Financial Statements:

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 Finance Limited	46.63%	30,165.72	56.42%	6,703.79	(107.04%)	(98.63)	55.16%	6,605.16
Indian Subsidiaries								
IIFL Home Finance Limited	37.88%	24,510.32	48.64%	5,779.95	216.02%	199.04	49.93%	5,978.99
Samasta Microfinance Limited	15.35%	9,933.87	4.23%	502.46	(8.92%)	(8.22)	4.13%	494.24
Indian Step down Subsidiary								
IIHL Sales Limited	0.04%	28.38	0.23%	27.88	-	-	0.23%	27.88
Trust with Residual Beneficial Interest								
Eminent Trust October 2019	0.00%	-	(4.19%)	(497.70)	-	-	(4.16%)	(497.70)
Eminent Trust November 2019	0.00%	-	(5.36%)	(637.45)	-	-	(5.32%)	(637.45)
Subtotal	**99.91%**	**64,638.29**	**99.97%**	**11,878.93**	**100.05%**	**92.19**	**99.97%**	**11,971.12**
Non Controlling interest in subsidiaries	0.09%	58.96	0.03%	3.57	(0.05%)	(0.05)	0.03%	3.52
Total		**64,697.25**		**11,882.50**		**92.14**		**11,974.64**

Note 45. Segment Reporting

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 on 'Segment Reporting'.

Note 46. Shared services

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Note 47. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

R. Venkataraman

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

Form AOC-I

Salient features of financial statements of Subsidiaries as per Companies Act, 2013 as on March 31, 2022

(₹ in millions)

Sr. No.	Particulars	IIFL Home Finance Limited	Samasta Microfinance Limited	IIHFL Sales Limited
1	Share Capital	209.68	4,982.23	0.50
2	Other Equity	26,597.36	5,010.60	27.88
3	Total Assets	180,099.01	63,944.30	127.67
4	Total Liabilities	153,291.97	53,951.47	99.29
5	Investments	3,832.63	0.50	-
6	Total Turnover	22,214.41	10,199.28	74.98
7	Profit/ (loss) before taxation	7,459.63	589.45	37.83
8	Provision for taxation (including deferred tax)	1,679.68	83.41	9.95
9	Total Comprehensive Income	5,978.99	497.76	27.88
10	Proposed preference dividend	-	-	-
11	Extent of interest in subsidiary *	100.00%	99.41%	100.00%

* IIFL Finance Limited have holding of 74.41% in Samasta Microfinance Limited and 25.00% is been hold by IIFL Home Finance Limited.

Note: Reporting period for the subsidiary is the same as holding company.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

NIRMAL JAIN
Managing Director
DIN : 00010535

R. Venkataraman

R. VENKATARAMAN
Joint Managing Director
DIN : 00011919

RAJESH RAJAK
Chief Financial Officer

SNEHA PATWARDHAN
Company Secretary

Place : Mumbai
Dated: April 28, 2022

IIFL Finance Limited

Standalone Financial Statements

as on 31st March, 2022

(₹ in Millions)

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

INDEPENDENT AUDITOR'S REPORT

To the Members of IIFL Finance Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of IIFL Finance Limited, which comprise Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards 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 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 financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 8.3 to the Standalone Financial Statements, which fully describes that the Company has recognised impairment on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

Sr.no	Key Audit Matter	Response to Key Audit Matter
1	**Information technology (IT) systems used in financial reporting process.** The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. We therefore identified IT systems and controls over financial reporting as a key audit matter for the Company.	We obtained an understanding of the Company's IT control environment relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements. In addition to above, we have also relied on the work of the internal auditors and system auditors.
2	**Impairment of Financial Assets held at amortised cost:** Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgements used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and the management estimation of the related impairment provisions. this is considered to be a key audit matter. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	We evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding. We assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. We evaluated management's controls over collation of relevant information used for determining estimates for management overlays. We tested review controls over measurement of impairment allowances and disclosures in financial statements.

	Refer Note 38A.3 to the Financial Statements.	

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report and Management Discussion and Analysis report, 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 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the 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 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 the Indian accounting standards specified under Sec 133 of the Act. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 matters

The standalone financials statements of the company for the previous year ended March 31,2021 were audited by one of the current joint statutory auditors who had expressed unmodified opinion vide their report dated May 06,2021.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

V Sankar Aiyar & Co.
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2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

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 in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 of the financial statements.

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 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 maintained for the purpose or preparation of the financial statements.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 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 managing director during the year is in accordance with the provisions of section 197 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 39 of the 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 not been any delay in transferring amounts which requires 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

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, no funds 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; and

(c) In our opinion and based on the audit procedures, we have 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 dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

For V Sankar Aiyar & Co.	For Chhajed & Doshi
Chartered Accountants	Chartered Accountants
(FRN: 109208W)	(FRN: 101794W)
G. Sankar	M. P. Chhajed
Partner	Partner
M. No.046050	M. No. 049357
Place: Mumbai	Place: Mumbai
Date: April 28, 2022	Date: April 28, 2022
UDIN: 22046050AHZCGQ5516	UDIN: 22049357AHZGAW5720

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

Annexure A to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Finance Limited on the accounts for the year ended 31st March 2022.

3(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment to cover all the items at major locations in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Based on the information and explanation given to us and on verification of the records of the Company, the physical verification was conducted in during the year 2020-21 and no material discrepancies were observed on such verification.

(c) According to the information and explanations given to us and based on verification of records provided to us, we report that, the title deeds of 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) disclosed in the financial statements are held in the name of the company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) As per the information and explanation provided to us no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.

(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 namely financial asset. Based on our verification, the quarterly statements filed by the company with such banks and financial institutions are in agreement with the books of account of the Company.

3(iii)(a) The Company being a Non-Banking Finance Company , the provisions of clause 3(iii)(a) are not applicable to the company.

(b) According to the information and explanations given to us and based on the verification of the records and in our opinion the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) The company being a Non-banking Finance company is in the business of as granting loans and advances in the nature of loans. The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except accounts which are overdue are classified as special mention accounts or non-performing assets as per RBI norms.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

(d) The total amount overdue for more than ninety days is Rs 3,664.46 millions. Based on the information and explanations given to us and in our opinion reasonable steps have been taken by the company for recovery of principal and interest.

(e) The Company being a Non-Banking Finance Company, the provisions of clause 3(iii)(e) are not applicable to the company.

(f) As per the information and explanation made available to us and in our opinion 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.

3(iv) The Company is a registered Non-Banking Finance Company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2020 is not applicable.

3(v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Companies Act,2013 for the company.

3(vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

3(vii) (b) According to the information and explanations given to us and records of the Company examined by us, there are no cases of non-deposit of disputed dues of sales tax or duty of customs or duty of excise. According to the information and explanations given to us, the following dues of income tax, service tax and Goods and service tax have not been deposited by the Company on account of dispute as at March 31,2022.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. in Million)	Amount Deposited under protest (Rs. in Million)
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2008-09	-	-
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2009-10	-	-
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2010-11	21.95	40.60
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2011-12	25.39	14.80

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Income Tax Act, 1961	Income Tax	CIT(A)	AY 2012-13	80.28	41.89
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2013-14	9.64	42.61
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	61.44	15.40
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	38.50	21.73
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	-	48.63
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2018-19	-	48.37
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2018-19	8.16	36.94
Income Tax Act, 1961	Income Tax	ITAT	AY 2012-13	88.95	-
Income Tax Act, 1961	Income Tax	ITAT	AY 2013-14	-	3.83
Income Tax Act, 1961	Income Tax	ITAT	AY 2016-17	-	13.95
The Finance Act, 1994	Service tax	Adjudicating Authority	Apr 2007 to March 2012	2.35	0.04
The Finance Act, 1994	Service tax	CESTAT Mumbai	April 2007 to 13 May 2008	131.91	2.15
The Finance Act, 1994	Service tax	CESTAT Mumbai	July 2012 to March 2014	158.90	3.39
The Finance Act, 1994	Service tax	CESTAT Mumbai	July 2012 to March 2014	517.58	13.34
Goods and Service tax Act	GST	GST Appeal Mumbai	01st July 2017 to 31st March 2019	1.81	0.18

3(viii) As per the information and explanation provided to us and as represented to us, there were no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

3(ix)(a) According to the information and explanation given to us and based on our audit procedures, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations provided to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations and records provided to us the term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations provided to us, in our opinion the funds raised on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations provided to us and on examination of records, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069 CHARTERED ACCOUNTANTS

(f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

3(x) (a) According to the information and explanations given to us and in our opinion, money raised by way of initial public offer or further public offer (including debt instruments) have been applied by the Company during the year for the purposes for which they were raised.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year and hence reporting under clause (xiv) of CARO 2020 is not applicable to the Company. In case of shares issued to the employees under Employee Option scheme the requirements of section 62 or the companies act have been complied with and the funds raised have been used for the purposes for which funds were raised.

3(xi) (a) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by way of theft amounting to Rs. 118.78 million. No fraud by the Company has been noticed or reported during the year. We have not been informed of any such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.

3(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

3(xiii) According to the information and explanations given to us and in our opinion , all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

3(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.

3(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

3(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

(b) The company is in the business of and has carried on the business of Non- Banking Financial activities during with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

(c) The company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit 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 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) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act 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 for the year.

(b) Amount of Rs 24.60 millions remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

For V Sankar Aiyar & Co. Chartered Accountants (FRN: 109208W) G. Sankar Partner M. No.046050 Place: Mumbai Date: April 28, 2022 UDIN: 22046050AHZCGQ5516	For Chhajed & Doshi Chartered Accountants (FRN: 101794W) M. P. Chhajed Partner M. No. 049357 Place: Mumbai Date: April 28, 2022 UDIN: 22049357AHZGAW5720

V Sankar Aiyar & Co.
Chartered Accountants
2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020

Chhajed & Doshi
Chartered Accountants
101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

Annexure B referred to in our report of even date to the members of IIFL Finance Limited on the standalone accounts for the year ended 31st March 2022

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 over financial reporting of IIFL Finance Limited ("the Company") as of March 31st, 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of

V Sankar Aiyar & Co. **Chartered Accountants** 2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020	Chhajed & Doshi **Chartered Accountants** 101, Hubtown Solaris, N S Phadke Marg, Near East West Flyover, Andheri (East) Mumbai – 400 069

records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V Sankar Aiyar & Co. Chartered Accountants (FRN: 109208W) G. Sankar Partner M. No.046050 Place: Mumbai Date: April 28, 2022 UDIN: 22046050AHZCGQ5516	For Chhajed & Doshi Chartered Accountants (FRN: 101794W) M. P. Chhajed Partner M. No. 049357 Place: Mumbai Date: April 28, 2022 UDIN: 22049357AHZGAW5720

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

(₹ in millions)

Sr. No	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	4	43,569.37	20,518.72
(b)	Bank balance other than (a) above	5	12,518.66	15,406.27
(c)	Derivative financial instruments	6	644.13	416.88
(d)	Receivables			
	(i) Trade receivables	7	1,405.43	1,593.73
	(ii) Other receivables	7	158.00	5.10
(e)	Loans	8	128,840.46	155,942.99
(f)	Investments	9	24,488.54	12,042.57
(g)	Other financial assets	10	5,185.75	2,079.67
			216,810.34	208,005.93
[2]	**Non-financial assets**			
(a)	Current tax assets (net)		2,270.23	2,468.67
(b)	Deferred tax assets (net)	11	1,584.97	2,063.60
(c)	Investment property	12	2,885.13	2,640.02
(d)	Property, plant and equipment	13	1,348.24	955.44
(e)	Capital work-in-progress	14	56.44	65.60
(f)	Right to use assets	15	2,972.54	2,793.94
(g)	Other intangible assets	16	19.16	9.15
(h)	Other non-financial assets	17	3,337.15	3,104.90
(i)	Assets held for sale	18	78.44	-
			14,552.30	14,101.32
	Total Assets		231,362.64	222,107.25
	Liabilities And Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	6	1,494.62	1,186.69
(b)	Payables			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	19	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	861.67	604.22
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	99.06	-
(c)	Finance lease obligation	15	3,276.24	3,054.22
(d)	Debt securities	20	51,052.83	53,446.73
(e)	Borrowings (other than debt securities)	21	97,710.68	92,179.83
(f)	Subordinated liabilities	22	13,696.40	17,373.98
(g)	Other financial liabilities	23	17,844.92	14,854.73
			186,036.42	182,760.40
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		184.41	185.44
(b)	Provisions	24	413.84	315.63
(c)	Other non-financial liabilities	25	458.95	638.46
			1,057.20	1,139.53
	Total Liabilities		187,093.62	183,899.93
[3]	**Equity**			
(a)	Equity share capital	26	759.20	757.68
(b)	Other equity	26.1	43,509.82	37,449.64
			44,269.02	38,207.32
	Total Liabilities and Equity		231,362.64	222,107.25
	See accompanying notes forming part of the financial statements	1 - 59		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in millions)

Sr. No	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	Revenue from operations			
(i)	Interest income	27.1	35,638.11	30,703.91
(ii)	Dividend income	27.2	629.05	701.88
(iii)	Fees and commission income		501.52	362.31
(iv)	Net gain on fair value changes	28	720.32	1,553.43
(v)	Net gain on derecognition of financial instruments under amortised cost category	31	3,134.09	651.15
(I)	**Total revenue from operations**		**40,623.09**	**33,972.68**
(II)	**Other income**	29	269.44	389.37
(III)	**Total Income (I+II)**		**40,892.53**	**34,362.05**
	Expenses			
(i)	Finance costs	30	16,156.07	15,549.75
(ii)	Net loss on derecognition of financial instruments under amortised cost category	31	7,238.33	5,686.45
(iii)	Impairment on financial instruments	32	(2,242.84)	1,980.68
(iv)	Employee benefits expenses	33	5,199.05	4,071.14
(v)	Depreciation, amortisation and impairment	13, 15 & 16	1,064.26	908.83
(vi)	Other expenses	34	3,803.91	2,420.75
(IV)	**Total Expenses (IV)**		**31,218.78**	**30,617.60**
(V)	**Profit before exceptional items and tax (III-IV)**		**9,673.75**	**3,744.45**
(VI)	Exceptional items	35	-	530.50
(VII)	**Profit before tax (V +VI)**		**9,673.75**	**4,274.95**
(VIII)	**Tax expense:**			
	(1) Current tax	36	1,712.83	972.83
	(2) Deferred tax	11 & 36	511.79	(167.48)
	(3) Current tax expenses relating to previous years	36	(5.71)	43.83
	Total tax expense		**2,218.91**	**849.18**
(IX)	**Profit for the year (VII-VIII)**		**7,454.84**	**3,425.77**
(X)	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit liability/(asset)	36	9.61	8.99
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11 & 36	(2.41)	(2.26)
	Subtotal (A)		**7.20**	**6.73**
	(B) (i) Items that will be reclassified to profit or loss			
	(a) Cash flow hedge (net)	36	(141.32)	(291.04)
	(ii) Income tax relating to items that will be reclassified to profit or loss	11 & 36	35.57	73.24
	Subtotal (B)		**(105.75)**	**(217.80)**
	Other Comprehensive Income (A+B)		**(98.55)**	**(211.07)**
(XI)	**Total Comprehensive Income for the year (IX+X)**		**7,356.29**	**3,214.70**
(XII)	**Earnings per equity share of face value ₹ 2 each**	37		
	Basic (₹)		19.66	9.05
	Diluted (₹)		19.54	9.03
	See accompanying notes forming part of the financial statements	1 - 59		

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

G. Sankar
Partner
Membership No. 046050

M.P. Chhajed
Partner
Membership No. 049357

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in millions)

Particulars	Notes	Year ended March 31, 2022		Year ended March 31, 2021	
A. CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax			**9,673.75**		**4,274.95**
Adjustments for:					
Depreciation, amortisation and impairment	13, 15 & 16	1,064.26		908.83	
Impairment on loans	32	(2,159.60)		1,691.10	
Impairment on other financial instruments		(83.24)		289.58	
(Profit)/ loss on sale of assets		(0.30)		1.53	
(Gain)/ loss on termination of lease - Ind AS 116		(3.29)		(4.45)	
Net (gain)/ loss on fair value changes on investments- realised	28	(721.61)		(2,043.88)	
Net (gain)/ loss on fair value changes on investments- unrealised	28	1.29		(40.25)	
Net (gain)/ loss on derecognition of financial instruments under amortised cost	31	(3,134.09)		(651.15)	
Employee benefit expenses - share based		30.98		4.36	
Employee benefit expenses - others		67.36		78.41	
Interest on loans		(34,340.12)		(30,015.51)	
Interest on deposits with banks	27.1	(601.82)		(530.90)	
Dividend income	27.2	(629.05)		(701.88)	
Finance cost		15,820.12		15,271.54	
Interest expenses - Ind AS 116	15	285.09		245.87	
Net (gain)/ loss on buy back of debentures		(7.85)		(2.67)	
Income received on loans		39,198.33		23,257.46	
Interest received on deposits with banks		603.44		549.51	
Finance cost paid		(16,456.44)	(1,065.94)	(14,577.99)	(6,270.30)
Operating profit/(loss) before working capital changes			**8,607.81**		**(1,995.35)**
Decrease/ (increase) in financial and non financial assets		(183.59)		(3,079.94)	
Increase/(decrease) in financial and non financial liabilities		4,190.62	4,007.03	7,516.55	4,436.60
Cash (used in)/ generated from operations			**12,614.84**		**2,441.25**
Taxes paid			(1,509.74)		(1,331.32)
Net cash (used in)/ generated from operating activities			**11,105.10**		**1,109.93**
Loans (disbursed)/ repaid (net)			24,457.45		(9,057.89)
Net cash (used in)/ generated from operating activities (A)			**35,562.55**		**(7,947.96)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and other intangible assets			(812.25)		(321.31)
Sale of property, plant and equipment and other intangible assets			6.99		15.77
Purchase of equity investments in subsidiary			(2,250.00)		(675.00)
Proceeds from equity investment in subsidiary			-		1,321.23
Redemption in debentures of subsidiary			-		499.88
Purchase of investment property			(245.10)		(69.08)
Proceeds/(Purchase) of investments			(9,475.65)		8,067.21
Dividend income			629.05		701.88
Proceeds/(Deposits) from maturity of deposits placed with Banks			2,905.55		(4,960.05)
Net cash (used in)/ generated from investing activities (B)			**(9,271.42)**		**4,586.51**
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of equity share (including securities premium)			86.05		45.59
Payment of stamp duty on account of merger			(83.40)		-
Dividend paid (including dividend distribution tax)			(1,328.20)		(1,135.41)
Proceeds from debt securities			15,148.20		9,251.80
Repayment of debt securities			(18,357.89)		(13,685.10)
Proceeds from borrowings (other than debt securities)			40,323.71		121,298.60
Repayment of borrowings (other than debt securities)			(35,027.92)		(97,956.56)
Proceeds from subordinated liabilities			500.00		6,708.60
Repayment of subordinated liabilities			(3,639.71)		(6,010.29)
Payment of lease liability			(841.32)		(699.77)
Net cash (used in)/ generated from financing activities (C)			**(3,240.48)**		**17,817.46**
Net increase in cash and cash equivalents (A + B + C)			**23,050.65**		**14,456.00**
Add : Opening cash and cash equivalents as at the beginning of the			20,518.72		6,062.72
Cash and cash equivalents as at the end of the year	4		**43,569.37**		**20,518.72**
See accompanying notes forming part of the financial statements	1 - 59				

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

For and on behalf of the Board of Directors of IIFL FINANCE LIMITED

G Sankar

G. Sankar
Partner
Membership No. 046050

M.P. Chhajed
Partner
Membership No. 049357

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ in millions)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at March 31, 2022 (Refer Note 26)	757.68	1.52	759.20
As at March 31, 2021 (Refer Note 26)	756.68	1.00	757.68

B. Other Equity

(₹ in millions)

Particulars	Share application money pending allotment (Note 1)	Reserves & Surplus								Other Comprehensive Income (OCI)		Total
		Capital Reserve (Note 2)	Securities Premium Reserve (Note 3)	General Reserve (Note 4)	Special Reserve pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5)	Capital Redemption Reserve (Note 6)	Debenture Redemption Reserve (Note 7)	Retained Earnings (Note 8)	Stock Compensation Reserve (Note 9)	Effective portion of Cash Flow Hedges (Note 10)	Remeasurements of defined benefit (Note 11)	
Balance as at April 01, 2020	-	838.85	18,344.36	5,086.05	5,255.11	2,301.11	128.04	3,208.15	174.14	-	(14.41)	35,321.40
Profit for the year	-	-	-	-	-	-	-	3,425.77	-	-	-	3,425.77
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-	-	(217.80)	6.73	(211.07)
Interim dividend	-	-	-	-	-	-	-	(1,135.41)	-	-	-	(1,135.41)
Transfer to/ (from) reserves	-	-	12.62	6.82	686.80	-	-	(686.80)	(19.44)	-	-	-
Addition during the year	-	-	44.59	-	-	-	-	-	4.36	-	-	48.95
Balance as at March 31, 2021	-	838.85	18,401.57	5,092.87	5,941.91	2,301.11	128.04	4,811.71	159.06	(217.80)	(7.68)	37,449.64
Profit for the year	-	-	-	-	-	-	-	7,454.84	-	-	-	7,454.84
Other comprehensive income/ (loss)	-	-	-	-	-	-	-		-	(105.75)	7.20	(98.55)
Interim dividend	-	-	-	-	-	-	-	(1,328.21)	-	-	-	(1,328.21)
Share issue expenses	-	-	(83.40)	-	-	-	-	-	-	-	-	(83.40)
Transfer to/ (from) reserves	-	-	47.57	0.65	1,952.30	-	-	(1,952.30)	(48.22)	-	-	0.00
Addition during the year	-	-	84.52	-	-	-	-	-	30.98	-	-	115.50
Balance as at March 31, 2022	-	838.85	18,450.26	5,093.52	7,894.21	2,301.11	128.04	8,986.04	141.82	(323.55)	(0.48)	43,509.82

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Notes:

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.

2. **Capital Reserves:** Capital reserve is created on account of Composite Scheme of Arrangement.

3. **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

4. **General Reserve:** The reserve can be distributed/ utilised by the Company, in accordance with The Companies Act, 2013.

5. **Special Reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, 20% of the profit after tax for the year has been transferred from Retained Earnings to Special Reserve.

6. **Capital Redemption Reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of The Companies Act, 2013.

7. **Debenture Redemption Reserve:** Pursuant to Section 71 of The Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 the Company being an NBFC is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.

8. **Retained Earnings:** These are the profits that the Company has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and Capital Redemption Reserve.

9. **Stock Compensation Reserve:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.

10. **Effective portion of Cash Flow Hedges:**These reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.

11. **Remeasurements of defined benefit:** This reserve 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.

See accompanying notes forming part of the financial statements (1 - 59)

In terms of our report attached
For V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

gSankar

G. Sankar
Partner
Membership No. 046050

For Chhajed & Doshi
Chartered Accountants
Firm Registration No. 101794W

M.P. Chhajed
Partner
Membership No. 049357

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkataraman

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

Note 1. CORPORATE INFORMATION:

Company overview

IIFL Finance Limited (the "Company") is a Systemically Important Non-Banking Financial Company not accepting public deposits ("NBFC-ND-SI") registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 12, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as gold loan, loans to Micro, small & medium enterprise ("MSME"), loan against securities and digital finance loans

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 28 April 2022, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

Note 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

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 standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

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 not traded in active market) 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.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

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IIFL FINANCE LIMITED

(a) 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 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.

(b) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations requires a different treatment.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

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.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

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

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IIFL FINANCE LIMITED

amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

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.

Cheque bounce charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

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. Assignment transactions

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognised as profit on derecognition of financial asset.

v. Securitisation transactions

In accordance with Ind AS 109, in case of securitisation transactions, 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.

vi. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is

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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 original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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 / group of similar 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	Useful life
Buildings	20 years
Computers	3 years
Office equipment	5 years
Plant and Equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

For above 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.

An item of PPE 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 PPE 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.

Capital work in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest 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.

Intangible assets i.e. Software are amortised on straight-line basis over the estimated useful life of 3 years.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

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Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

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.

(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 and Loss in the period in which the Investment property is derecognised.

Freehold land and properties under construction are not depreciated.

(e) 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. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

(f) Impairment of 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.

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 is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to an extent that it 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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(g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments 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 instruments that will eventually vest, with a corresponding increase in equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

(h) Employee benefits

Defined contribution plans

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

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 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 being 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) 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.

(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 is not recognized for:
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

For transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and 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

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.

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 the Statement of Profit and Loss.

Financial assets

Classification and 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 instruments 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):

IIFL FINANCE LIMITED

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- 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 ("SPPI") 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):

- 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 and 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 and 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. Dividend on financial assets at FVTPL is recognised when the Company's right to receive dividend is established.

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Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognised in the Statement of Profit and Loss when the Company's right to receive dividends is established.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting poli cy on modification and derecognition of financial assets described below.

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. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is 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 measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- 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

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has not been previously de-recognised and is still in the portfolio.

- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

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 computation is as per the applicable prudential regulatory norms.

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. 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.

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Modification and derecognition 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 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.

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.

Compound instruments

The component parts of compound instruments (e.g. convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial

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asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain/ loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

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 of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

(l) Investment in subsidiaries

Investment in subsidiaries is recognised at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of Investment represents amount paid for acquisition of the said investment.

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The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(m) Cash and bank balances

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. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. 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 method.

(p) Foreign currencies

In preparing the financial statements, 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

(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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent 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 neither recognised nor disclosed in the financial statements.

(s) 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.

(t) Derivative financial instruments and hedging

The company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures relating to foreign currency borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

The company designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The forward cost are separately accounted for as a cost of hedging and are recognised in OCI and accumulated in a cost of hedging reserve as a separate component within equity.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated under the heading of Cash Flow Hedge Reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss, and is included in the other income line item.

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The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(u) 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 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.

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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.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

Critical accounting estimate and judgement

1. **Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2. **Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as a lessee

As a lessee, the Company leases assets which includes gold loan branches/office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-to-use assets and lease liabilities for these leases.

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STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

Note 4. Cash and Cash Equivalents (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	486.47	202.19
Balance with Banks		
- In current accounts	34,908.53	20,210.04
- In deposit accounts	8,170.64	106.32
- Interest accrued on above fixed deposits	3.73	0.17
Total	**43,569.37**	**20,518.72**

Note 5. Bank Balance (Other Than Cash and Cash Equivalents) (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks in earmarked accounts towards unclaimed amount on NCD and dividend	136.07	116.53
In Deposit accounts (refer note 5.1)	12,324.60	15,230.05
Interest accrued on fixed deposits (refer note 5.1)	57.99	59.69
Total	**12,518.66**	**15,406.27**

Note 5.1 Out of the Fixed Deposits shown above (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Lien marked	8,034.96	10,752.43
Margin for credit enhancement	4,347.63	4,537.31
Total	**12,382.59**	**15,289.74**

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Note 6: Derivative Financial Instruments

(₹ in millions)

Part I	As at March 31, 2022 Notional amounts	As at March 31, 2022 Fair Value - Assets	As at March 31, 2022 Fair Value - Liabilities	As at March 31, 2021 Notional amounts	As at March 31, 2021 Fair Value - Assets	As at March 31, 2021 Fair Value - Liabilities
(i) Currency derivatives						
- Spot and forwards	36,943.78	458.53	1,494.62	39,396.29	416.88	973.81
(ii) Interest rate derivatives						
- Forward rate agreements and interest rate swaps	6,955.00	185.60	-	6,955.00	-	212.88
(iii) Credit derivatives	-	-	-	-	-	-
(iv) Equity linked derivatives	-	-	-	-	-	-
(v) Other derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**43,898.78**	**644.13**	**1,494.62**	**46,351.29**	**416.88**	**1,186.69**

(₹ in millions)

Part II	As at March 31, 2022 Notional amounts	As at March 31, 2022 Fair Value - Assets	As at March 31, 2022 Fair Value - Liabilities	As at March 31, 2021 Notional amounts	As at March 31, 2021 Fair Value - Assets	As at March 31, 2021 Fair Value - Liabilities
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging						
- Currency derivatives	36,943.78	458.53	1,494.62	39,396.29	416.88	973.81
- Interest rate derivative	6,955.00	185.60	-	6,955.00	-	212.88
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-
Forward exchange contract	-	-	-	-	-	-
Total	**43,898.78**	**644.13**	**1,494.62**	**46,351.29**	**416.88**	**1,186.69**

Credit Risk and Currency Risk

(₹ in millions)

Particulars	Total Notional	Total Fair value	Exchange Traded Notional	Exchange Traded Fair value	Over the Counter Notional	Over the Counter Fair value
Year ended March 31, 2022						
Derivative Asset	13,825.00	644.13	-	-	13,825.00	644.13
Derivative Liabilities	30,073.78	1,494.62	-	-	30,073.78	1,494.62
Year ended March 31, 2021						
Derivative Asset	6,870.00	416.88	-	-	6,870.00	416.88
Derivative Liabilities	39,481.29	1,186.69	-	-	39,481.29	1,186.69

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6.1 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.

6.1.1 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 interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the Benchmark plus Margin. The Company has hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' interest rate swap.

The Company uses Cross Currency Swap Contracts and Forward Exchange Contracts to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans. 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 of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognised directly in the "Cash Flow Hedge Reserve" under Other Comprehensive Income and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/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/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	43,898.78	46,351.29
Carrying amount	850.49	769.81
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 (Profit/ (Loss))	(105.75)	(217.80)

(₹ in millions)

Impact of hedging item	As at March 31, 2022	As at March 31, 2021
Change in fair value (Profit/ (Loss))	(105.75)	(217.80)
Cash flow hedge reserve (Profit/ (Loss))	(105.75)	(217.80)
Cost of hedging	-	-

(₹ in millions)

Effect of Cash flow hedge	As at March 31, 2022	As at March 31, 2021
Total hedging gain / (loss) recognised in OCI	(105.75)	(217.80)
Ineffectiveness recognised in profit/ (loss)	-	-

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Note 7. Receivables

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Trade Receivables		
Receivables considered good - Secured	1,345.00	1,564.65
Receivables considered good - Unsecured *	60.43	29.08
Receivables - credit impaired	0.03	2.95
Total- Gross	**1,405.46**	**1,596.68**
Less: Impairment loss allowance	(0.03)	(2.95)
Total- Net	**1,405.43**	**1,593.73**
(ii) Other Receivables		
Receivables considered good - Unsecured	158.00	5.10

* Including receivables from Group/Subsidiaries Company (refer note 42.2)

Note 7.1 Trade Receivables Ageing Schedule (Gross)

(₹ in millions)

Particulars	As at March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	1,404.17	1.07	0.19	-	-	**1,405.43**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	0.03	-	**0.03**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,404.17**	**1.07**	**0.19**	**0.03**	**-**	**1,405.46**

(₹ in millions)

Particulars	As at March 31, 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables – considered good	1,593.55	0.05	0.03	0.08	0.02	**1,593.73**
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	0.13	0.03	2.79	-	**2.95**
(iv)Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,593.55**	**0.18**	**0.06**	**2.87**	**0.02**	**1,596.68**

Notes:

1. No trade or other receivables are due from directors or other officer of the company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Company has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognised on credit impaired receivables.
3. Trade receivables are non-interest bearing.

Note 8. Loans

(₹ in millions)

Particulars	As at March 31, 2022		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	81,082.82	27,997.37	109,080.19
(ii) Non Convertible Debentures - for financing real estate projects	17,168.44	-	17,168.44
(iii) Inter corporate deposit	-	-	-
(iv) Related parties	2.02	-	2.02
(v) Others (Dues from Customers etc)	8,543.05	-	8,543.05
Total (A) - Gross	**106,796.33**	**27,997.37**	**134,793.70**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 1,601.47 million and Stage 3 Interest ₹ 397.62 million)	(5,726.46)	(226.78)	(5,953.24)
Total (A) - Net	**101,069.87**	**27,770.59**	**128,840.46**
(B)			
(i) Secured by tangible assets (refer note 8.1 and 8.2)	85,762.21	27,997.37	113,759.58
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	1,025.16	-	1,025.16
(iv) Unsecured	20,008.96	-	20,008.96
Total (B) - Gross	**106,796.33**	**27,997.37**	**134,793.70**
Less: Impairment loss allowance	(5,726.46)	(226.78)	(5,953.24)
Total (B) - Net	**101,069.87**	**27,770.59**	**128,840.46**
(C)			
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	106,796.33	27,997.37	134,793.70
Total (C) (I) - Gross	**106,796.33**	**27,997.37**	**134,793.70**
Less: Impairment loss allowance	(5,726.46)	(226.78)	(5,953.24)
Total (C) (I) - Net	**101,069.87**	**27,770.59**	**128,840.46**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**101,069.87**	**27,770.59**	**128,840.46**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

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(₹ in millions)

Particulars	As at March 31, 2021		
	Amortised cost	At Fair Value Through Other Comprehensive Income *	Total
(A)			
(i) Term Loans	94,549.65	29,139.42	123,689.07
(ii) Non Convertible Debentures - for financing real estate projects	22,713.41	-	22,713.41
(iii) Inter corporate deposit (refer note 42.2)	4,842.14	-	4,842.14
(iv) Others (Dues from Customers etc)	13,028.09		13,028.09
Total (A) - Gross	**135,133.29**	**29,139.42**	**164,272.71**
Less: Impairment loss allowance (including Stage 3 ECL on Principal ₹ 2,087.08 million and Stage 3 Interest ₹ 560.88 million)	(8,095.05)	(234.67)	(8,329.72)
Total (A) - Net	**127,038.24**	**28,904.75**	**155,942.99**
(B)			-
(i) Secured by tangible assets (refer note 8.1 and 8.2)	112,943.47	25,962.75	138,906.22
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank/ Government guarantees	1,478.08	-	1,478.08
(iv) Unsecured	20,711.74	3,176.67	23,888.41
Total (B) - Gross	**135,133.29**	**29,139.42**	**164,272.71**
Less: Impairment loss allowance	(8,095.05)	(234.67)	(8,329.72)
Total (B) - Net	**127,038.24**	**28,904.75**	**155,942.99**
(C)			-
(I) Loans in India			
(i) Public Sector	-	-	-
(ii) Others	135,133.29	29,139.42	164,272.71
Total (C) (I) - Gross	**135,133.29**	**29,139.42**	**164,272.71**
Less: Impairment loss allowance	(8,095.05)	(234.67)	(8,329.72)
Total (C) (I) - Net	**127,038.24**	**28,904.75**	**155,942.99**
(II) Loans outside India (C) (II)	-	-	-
Total C (I) and C (II)	**127,038.24**	**28,904.75**	**155,942.99**

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

Notes:

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 2,003.15 million (P.Y ₹ 2,664.76 million) in respect of which the creation of security is under process.

8.3 The Company's assessment of impairment loss allowance on its loans and other assets is subject to a number of management judgments and estimates. In relation to COVID-19, judgments and assumptions included the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. Given the dynamic nature of pandemic situation, the Company's impairment loss allowance estimates are inherently uncertain due to severity and duration of the pandemic and, as a result, actual results may differ from these estimates as on the date of approval of these Standalone Financial Statements.

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Note 9. Investments

(₹ in millions)

Particulars	As at March 31, 2022		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	0.04	-	0.04
Alternate investment funds	9,552.17	-	9,552.17
Security receipts	4,453.91	-	4,453.91
Equity instruments:			
in subsidiaries	-	14,103.33	14,103.33
in others	-	-	-
Total (A) - Gross	**14,006.12**	**14,103.33**	**28,109.45**
Less: Impairment loss allowance	(3,620.91)	-	**(3,620.91)**
Total (A) - Net	**10,385.21**	**14,103.33**	**24,488.54**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	14,006.12	14,103.33	28,109.45
Total (B) - Gross	**14,006.12**	**14,103.33**	**28,109.45**
Less: Impairment loss allowance	(3,620.91)	-	**(3,620.91)**
Total (B) - Net	**10,385.21**	**14,103.33**	**24,488.54**

(₹ in millions)

Particulars	As at March 31, 2021		
	At Fair Value through profit and loss	At Cost	Total
(A)			
Mutual funds	118.18	-	118.18
Alternate investment funds	71.06	-	71.06
Equity instruments:			
in subsidiaries	-	11,853.33	11,853.33
in others	-	-	-
Total (A) - Gross	**189.24**	**11,853.33**	**12,042.57**
Less: Impairment loss allowance	-	-	-
Total (A) - Net	**189.24**	**11,853.33**	**12,042.57**
(B)			
(i) Investments outside India	-	-	-
(ii) Investments in India	189.24	11,853.33	12,042.57
Total (B) - Gross	**189.24**	**11,853.33**	**12,042.57**
Less: Impairment loss allowance	-	-	-
Total (B) - Net	**189.24**	**11,853.33**	**12,042.57**

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Note 9.1 Investment details script wise

Particulars	As at March 31, 2022 Quantity (in actuals)	As at March 31, 2022 Face value per unit (in ₹)	As at March 31, 2022 Carrying Value (₹ in millions)	As at March 31, 2021 Quantity (in actuals)	As at March 31, 2021 Face value per unit (in ₹)	As at March 31, 2021 Carrying Value (₹ in millions)
Mutual funds			**0.04**			**118.18**
IIFL Focused Equity Fund-Direct Plan-Growth	-	-	-	4,562,418.45	10.00	118.18
Nippon India Mutual Fund ETF Liquid Bees	35.20	1,000.00	0.04			
Alternate investment fund			**9,552.17**			**71.06**
Phi Capital Growth Fund-I	306.78	100,000	100.56	298.40	100,000	43.08
Indiareit Apartment Fund - Class B	20.01	100,000	2.36	22.63	100,000	3.58
IIFL Income Opportunities Fund- Special Situation - Class B	-	-	-	932,923.14	3.9963	2.03
IIFL Income Opportunities Fund- Special Situation - Class S	-	-	-	10,278,484.68	3.9963	22.37
IIFL One Value Fund Series B - Class B	474,523,611.28	10.00	4,895.03	-	-	-
IIFL One Value Fund Series B - Class C	415,940,426.88	10.00	4,459.38	-	-	-
Faering Capital Growth Fund III	15,500.00	1,000.00	15.01	-	-	-
IIFL Securities Capital Enhancer Fund - Class S	3,999,800.01	10.00	40.29	-	-	-
IIFL Securities Capital Enhancer Fund - Class E	1,999.90	10.03	0.02	-	-	-
IIFL One Opportunities FoF - Series 1	3,065,261.70	10.00	39.52	-	-	-
Security receipts			**4,453.91**			-
ACRE - 110 - Trust	3,825,000.00	951.75	3,620.91	-	-	-
Arcil-SBPS-049-I- Trust	833,000.00	1,000	833.00			
Equity instruments (in subsidiaries)			**14,103.33**			**11,853.33**
IIFL Home Finance Limited	20,968,181.00	10.00	8,254.77	20,968,181.00	10.00	8,254.77
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	370,740,413.00	10.00	5,848.56	237,683,032.00	10.00	3,598.56
Total Gross			**28,109.45**			**12,042.57**

Note 10. Other Financial Assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Security deposits	318.51	259.45
Deposit with Exchange	2.50	2.80
Interest strip asset on assignment	4,558.08	1,423.99
Staff advances	0.48	0.47
Insurance receivable	446.57	472.77
Less: Provision on insurance receivable (refer note 10.1)	(220.09)	(129.26)
Other receivables	23.97	2.75
Other advances	55.73	46.70
(Unsecured, considered doubtful)		
Security deposits	3.20	2.81
Less : Provision on security deposits (refer note 10.2)	(3.20)	(2.81)
Total	**5,185.75**	**2,079.67**

Note 10.1 Provision on Insurance Receivable:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	**129.26**	**59.87**
Addition	162.19	72.79
Reduction	(71.36)	(3.40)
Closing	**220.09**	**129.26**

Note 10.2 Provision on Security Deposits:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	**2.81**	**4.90**
Addition	7.42	4.43
Reduction	(7.03)	(6.52)
Closing	**3.20**	**2.81**

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Note 11. Deferred Tax Assets and Liabilities

Significant components of deferred tax assets and liabilities:

(₹ in millions)

Particulars	Opening balance (as on April 01, 2021)	Recognised in profit and loss account	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2022)
Deferred tax assets				
Property, plant and equipment	224.20	27.64	-	251.84
Provisions, allowances for doubtful receivables / loans	1,996.93	(564.31)	-	1,432.62
Compensated absences and retirement benefits	32.39	(1.77)	(2.42)	28.20
Deduction for provision for doubtful debts	-	55.74	-	55.74
Income amortisation (net)	(329.37)	(795.98)	-	(1,125.35)
Expenses deductible in future years	6.07	(1.23)	-	4.84
Carry-forward losses on investments	-	(151.74)	-	(151.74)
MTM on investment and derivative financial instruments	(5.38)	908.93	-	903.55
Cash flow hedge reserve	73.24	-	35.57	108.81
Leases- Ind AS 116	65.52	10.93	-	76.45
Total	**2,063.60**	**(511.79)**	**33.15**	**1,584.97**

(₹ in millions)

Particulars	Opening balance (as on April 01, 2020)	Recognised in profit and loss account *	Recognised in/ reclassified from OCI	Closing balance (as on March 31, 2021)
Deferred tax assets				
Property, plant and equipment	209.38	14.82	-	224.20
Provisions, allowances for doubtful receivables / loans	1,745.21	251.72	-	1,996.93
Compensated absences and retirement benefits	34.36	0.29	(2.26)	32.39
Income amortisation (net)	(149.86)	(179.51)	-	(329.37)
Expenses deductible in future years	4.84	1.23	-	6.07
Carry-forward losses on investments	121.19	(121.19)	-	-
MTM on investment and derivative financial instruments	31.06	(36.44)	-	(5.38)
Cash flow hedge reserve	-	-	73.24	73.24
Leases- Ind AS 116	31.90	33.62	-	65.52
Total	**2,028.08**	**(35.46)**	**70.98**	**2,063.60**

* Includes prior period amount of ₹ 202.94 million.

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Note 12. Investment Property (At Cost)

(₹ in millions)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2021	**1,555.53**	**1,121.82**	**2,677.35**
Additions during the year	-	259.69	259.69
Deductions/ adjustments during the year	-	-	-
As at March 31, 2022	**1,555.53**	**1,381.51**	**2,937.04**
Less : Impairment loss allowance	-	(51.91)	(51.91)
Net carrying value as at March 31, 2022	**1,555.53**	**1,329.60**	**2,885.13**
"Fair value as on March 31, 2022 (Fair value hierarchy : Level 3)"	1,759.42	1,329.60	3,089.02

*Distress value of above flats is ₹ 1,578.97 million.

(₹ in millions)

Particulars	Property (Flats)*	Land	Total
Gross carrying value			
As at April 1, 2020	**1,555.53**	**1,058.74**	**2,614.27**
Additions during the year	-	63.08	**63.08**
Deductions/ adjustments during the year	-	-	-
As at March 31, 2021	**1,555.53**	**1,121.82**	**2,677.35**
Less : Impairment loss allowance	-	(37.33)	(37.33)
Net carrying value as at March 31, 2021	**1,555.53**	**1,084.49**	**2,640.02**
"Fair value as on March 31, 2021 (Fair value hierarchy : Level 3)"	1,710.10	1,084.53	2,794.63

*Distress value of above flats is ₹ 1,596.10 million.

Note 12.1: Management had acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed by an independent registered valuer registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been put to use.

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Note 13. Property, Plant and Equipment

(₹ in millions)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2021	808.13	11.50	75.70	359.31	274.66	284.11	**1,813.41**
Additions during the year	471.15	-	167.69	-	132.87	149.03	**920.74**
Deductions/ adjustments	(16.42)	-	(1.37)	(113.72)	(9.34)	(39.32)	**(180.17)**
As at March 31, 2022	**1,262.86**	**11.50**	**242.02**	**245.59**	**398.19**	**393.82**	**2,553.98**
Depreciation							
As at April 1, 2021	365.08	9.36	46.11	84.60	135.64	217.18	**857.97**
Depreciation for the year	215.29	1.98	33.07	21.15	81.56	81.16	**434.21**
Deductions/ adjustments	(12.76)	-	(1.19)	(35.17)	(7.24)	(30.08)	**(86.44)**
Up to March 31, 2022	**567.61**	**11.34**	**77.99**	**70.58**	**209.96**	**268.26**	**1,205.74**
Net block as at March 31, 2022	**695.25**	**0.16**	**164.03**	**175.01**	**188.23**	**125.56**	**1,348.24**

(₹ in millions)

Particulars	Furniture And Fixtures	Vehicles	Office Equipment	Buildings	Plant & Equipment	Computer	Total
Cost as at April 1, 2020	660.02	11.50	102.24	359.31	195.93	296.07	**1,625.07**
Additions during the year	169.12	-	11.00	-	45.77	28.80	**254.69**
Deductions/ adjustments	(21.01)	-	(37.54)	-	32.96	(40.76)	**(66.35)**
As at March 31, 2021	**808.13**	**11.50**	**75.70**	**359.31**	**274.66**	**284.11**	**1,813.41**
Depreciation							
As at April 1, 2020	244.52	7.38	50.64	63.45	84.43	162.65	**613.07**
Depreciation for the year	127.76	1.98	9.74	21.15	49.62	86.84	**297.09**
Deductions/ adjustments	(7.20)	-	(14.27)	-	1.59	(32.31)	**(52.19)**
Up to March 31, 2021	**365.08**	**9.36**	**46.11**	**84.60**	**135.64**	**217.18**	**857.97**
Net block as at March 31, 2021	**443.05**	**2.14**	**29.59**	**274.71**	**139.02**	**66.93**	**955.44**

Note 14. Capital-Work-in Progress (CWIP)

Ageing schedule

(₹ in millions)

Particulars	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	51.40	5.04	-	-	56.44
Projects temporarily suspended	-	-	-	-	-

(₹ in millions)

Particulars	As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	62.41	2.26	0.39	0.54	65.60
Projects temporarily suspended	-	-	-	-	-

No projects were delayed for completion or had exceeded its cost compared to its original plan.

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Note 15. Leases

As a Lessee

a) Changes in the carrying value of right to use assets:

(₹ in millions)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2021	**2,789.50**	**4.44**	**2,793.94**
Addition during the year	861.22	-	861.22
Deduction/Adjustment	(60.26)	-	(60.26)
Depreciation during the year	(620.32)	(2.04)	(622.36)
Closing Balance as at March 31, 2022	**2,970.14**	**2.40**	**2,972.54**

(₹ in millions)

Particulars	Premises	Vehicle	Total
Opening Balance as at April 01, 2020	**2,478.39**	**8.17**	**2,486.56**
Addition during the year	987.79	0.56	988.35
Deduction/Adjustment	(88.17)	(1.12)	(89.29)
Depreciation during the year	(588.51)	(3.17)	(591.68)
Closing Balance as at March 31, 2021	**2,789.50**	**4.44**	**2,793.94**

b) Break up value of the Current and Non - Current Finance Lease Obligations:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	680.49	480.76
Non-current lease liabilities	2,595.75	2,573.46
Total	**3,276.24**	**3,054.22**

c) Movement in Finance Lease Obligations:

(₹ in millions)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2021	**3,049.39**	**4.83**	**3,054.22**
Addition during the year	861.21	-	861.21
Deduction/Adjustment	(63.55)	-	(63.55)
Finance cost accrued during the period	285.32	0.35	285.67
Payment of lease liabilities	(858.87)	(2.45)	(861.32)
Closing Balance as at March 31, 2022	**3,273.50**	**2.73**	**3,276.24**

(₹ in millions)

Particulars	Premises	Vehicle	Total
Balance as at April 01, 2020	**2,604.81**	**8.50**	**2,613.31**
Addition during the year	987.79	0.56	988.35
Deduction/Adjustment	(92.38)	(1.16)	(93.54)
Finance cost accrued during the period	245.27	0.60	245.87
Payment of lease liabilities	(696.10)	(3.67)	(699.77)
Closing Balance as at March 31, 2021	**3,049.39**	**4.83**	**3,054.22**

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d) Details regarding the contractual maturities of finance lease obligation on an undiscounted basis:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	917.19	712.31
One to two years	816.55	697.95
Two to five years	1,603.41	1,548.28
More than five years	844.40	1,121.78
Total	**4,181.55**	**4,080.32**

e) Rental expense recorded for short-term leases was ₹ 24.64 million (P.Y ₹ 7.84 million)

f) Amounts recognised in profit or loss

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	285.67	245.87
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	2.93	2.84
Depreciation for the year	622.36	591.68
Total	**910.96**	**840.39**

g) Amounts recognised in the statement of cash flows

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	861.32	699.77

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Note 16. Other Intangible Assets

(₹ in millions)

Particulars	Software
Cost or valuation as at April 1, 2021	**62.08**
Additions during the year	17.69
Deductions /Adjustments	-
As at March 31, 2022	**79.77**
Amortisation	
As at April 1, 2021	**52.93**
Amortisation during the year	7.68
Up to March 31, 2022	**60.61**
Net block as at March 31, 2022	**19.16**

(₹ in millions)

Particulars	Software
Cost or valuation as at April 1, 2020	**39.24**
Additions during the year	22.84
Deductions /Adjustments	-
As at March 31, 2021	**62.08**
Amortisations	
As at April 1, 2020	**32.85**
Amortisation during the year	20.08
Up to March 31, 2021	**52.93**
Net block as at March 31, 2021	**9.15**

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Note 17. Other Non-financial Assets

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Prepaid expenses	477.50	109.73
Receivable from securitisation trust	2,364.98	2,312.07
Advances for operational expenses*	410.74	501.04
Deposits with government	19.71	18.92
GST input	51.99	159.43
Advance towards gratuity (refer note 33.2)	10.75	2.35
Other assets	1.48	1.36
Total	**3,337.15**	**3,104.90**

* Includes foreign currency payments amounting to ₹ 90.70 million (P.Y ₹ 90.70 million)

Note 18. Assets Held For Sale

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for sale	78.44	-

Assets held for sale is towards a Company owned property which it intends to sell in the near future.

Note 19. Payables

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(I)Trade payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		
Outstanding dues of creditors	166.13	115.28
Accrued salaries and benefits	23.20	22.55
Provision for expenses	613.90	518.79
Other trade payables *	58.44	7.60
Total (I)	**861.67**	**664.22**
(II)Other payables		
(i)Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	99.06	
Total (II)	**99.06**	-

* Including payable to Group /Subsidiaries Company (refer note 42.2)

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Note 19.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED Act:

(₹ in millions)

Particulars	2021-22	2020-21
(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 MSMED Act	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act. This has been relied upon by the auditors.

Note 19.2 Trade Payables Ageing Schedule

(₹ in millions)

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii)Others	851.44	0.25	0.15	9.83	861.67
(iii)Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**851.44**	**0.25**	**0.15**	**9.83**	**861.67**

(₹ in millions)

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii)Others	651.14	5.11	0.29	7.68	664.22
(iii)Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**651.14**	**5.11**	**0.29**	**7.68**	**664.22**

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Note 20. Debt Securities (₹ in millions)

Particulars	At Amortised Cost As at March 31, 2022	As at March 31, 2021
(i) Non Convertible Debentures* (refer note 20.1) - Secured	49,483.57	51,809.28
Less : Unamortised debenture issue expenses	(266.61)	(266.23)
Less : Unexpired discount on NCD	(15.70)	(36.29)
(ii) Interest accrued but not due	1,851.57	1,939.97
Total (A)	**51,052.83**	**53,446.73**
Debt securities in India	25,845.54	24,698.91
Debt securities outside India	25,207.29	28,747.82
Total (B)	**51,052.83**	**53,446.73**

* The Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

Note 20.1 - Terms of repayment

Residual Maturity	As at March 31, 2022 Rate of Interest / Yield	Amount (₹ in millions)	As at March 31, 2021 Rate of Interest / Yield	Amount (₹ in millions)
Non Convertible Debentures (Secured)				
Fixed:		**46,153.71**		**49,573.63**
More than 5 years	8.33% - 8.60%	5,700.00	-	-
3-5 Years	8.42% - 8.75%	2,833.34	-	-
1-3 Years	8.00% - 11.03%	32,372.38	8.00% - 11.09%	37,196.83
Less than 1 year	8.00% - 9.85%	5,247.99	7.70% - 10.20%	12,376.80
Zero Coupon:		**3,329.86**		**2,235.65**
3-5 Years	8.75%	293.09	-	-
1-3 Years	8.00% - 8.50%	2,287.35	9.50% - 9.85%	805.53
Less than 1 year	9.50% - 9.85%	749.42	8.75% - 9.50%	1,430.12
TOTAL		**49,483.57**		**51,809.28**

Note 20.2 - Non Convertible Debentures - Secured - Instrument Wise Details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
9.50% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.50%	2,605.00	2,605.00
9.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series I. Maturity Date - 07/05/2022	9.60%	368.92	364.44
Zero Coupon Secured Rated Listed Redeemable Non Convertible Debentures. Series II - Category II,III & IV. Maturity Date - 07/05/2022	9.60%	422.42	437.10
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series D10. Date Of Maturity 17/05/2022	8.00%	1,000.00	1,000.00
8.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D11. Date Of Maturity 26/05/2022	8.00%	250.00	250.00
Market Linked Secured Rated Listed Redeemable Non-Convertible Debentures. Series D3 Option II. Date Of Maturity 27/09/2022	9.50%	219.30	254.50
9.50% Secured Rated Listed Redeemable Non-Convertible Debentures. Series II. Date Of Maturity 06/12/2022	9.50%	331.65	343.16
Secured Rated Listed Redeemable Non-Convertible Debentures. Series III. Date Of Maturity 06/12/2022	9.85%	107.69	113.93
9.85% Secured Rated Listed Redeemable Non-Convertible Debentures. Series IV. Date Of Maturity 06/12/2022	9.85%	644.42	646.96
9.85% Secured Rated Listed Redeemable Non Convertible Debenture Series D4. Date Of Maturity 17/01/2023	9.85%	50.00	50.00
5.875% Secured Medium Term Note. Date of Maturity- 20/04/2023 *	11.03% (P. Y 11.09%)	24,534.03	28,074.23
9.00% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5. Date Of Maturity 08/05/2023	9.00%	1,000.00	1,000.00
8.25% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series I. Date Of Maturity 14/10/2023	8.25%	3,075.30	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series II Date Of Maturity 14/10/2023	8.25%	714.25	-
9.75% Secured Rated Listed Redeemable Non Convertible Debentures. Series III. Maturity Date - 07/02/2024	9.75%	1,704.24	1,729.16
10.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series IV. Maturity Date - 07/02/2024	10.20%	1,118.01	1,133.89
Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024	8.00%	1,000.00	-
8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024	8.50%	940.80	-
Zero Coupon Secured Ratedcummularive Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024	8.50%	573.10	-
8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026	8.42%	1,472.51	-
8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026	8.75%	1,360.83	-
Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026	8.75%	293.10	-
8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031	8.33%	5,000.00	-
8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032	8.50%	100.00	-
8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032	8.60%	600.00	-
8.00% Secured Redeemable Non-Convertible Debentures. Series C6. Date of Maturity 29/04/2021	8.00%	-	2,500.00
Zero Coupon Secured Redeemable Non-Convertible Debentures. Series C8. Date of Maturity 30/04/2021	8.75%	-	100.00
Zero Coupon Secured Listed Rated Redeemable Non Convertible Debentures. Series C10. Date of Maturity 25/05/2021	9.25%	-	260.00
Zero Coupon Secured Non Convertible Debentures - Nifty 50 Index MLD 2021. D3 Option I. Date of Maturity-27/09/2021	9.50%	-	1,070.12
10.20% Secured Redeemable Non Convertible Debentures. Date of Maturity 05/11/2021	10.20%	-	2,875.00
8.00% 10 Year G-SEC Rate Linked Secured Rated Listed Redeemable Non Convertible Debenture Series D8. Date of maturity 01/12/2021	8.00%	-	751.80
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D6. Date of Maturity 07/01/2022	8.00%	-	2,000.00
8.00% Secured Rated Listed Redeemable Non Convertible Debenture Series D7. Date of maturity 18/02/2022	8.00%	-	1,000.00
7.70% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D12. Date of maturity 24/03/2022	7.70%	-	1,000.00
8.00% Secured Rated Listed Redeemable Senior Non Convertible Debenture Series D9. Date of maturity 30/03/2022	8.00%	-	2,250.00
TOTAL		49,483.57	51,809.28

* Includes hedging cost

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Note 21. Borrowings (Other than Debt securities)

(₹ in millions)

Particulars	At Amortised Cost	
	As at March 31, 2022	As at March 31, 2021
(A)		
(a) Term loan (refer note 21.1)		
(i) From banks and financial institution (refer note (a) and (b))	67,313.64	40,542.59
(ii) From others (refer note (c))	7,579.25	7,311.00
Less : Prepaid expenses	(290.14)	(255.64)
(b) Other loans (refer note 21.2)		
(i) Cash credit/ overdraft (refer note (a))	3,200.94	5,433.07
(ii) Securitisation liability	19,892.16	39,138.16
Less : Prepaid expenses	(117.92)	(104.09)
(c) Interest accrued but not due	132.75	114.74
Total (A)	97,710.68	92,179.83
(B)		
Borrowings in India	86,326.43	84,872.52
Borrowings outside India (refer note (b))	11,384.25	7,307.31
Total (B)	97,710.68	92,179.83

Notes:

(a) These loans are secured by way of a 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.

(b) During the year ended March 31, 2022, the Company borrowed ₹3,792.50 million (equivalent to USD 50 million) through the External Commercial Borrowings towards refinancing of existing outstanding Medium Term Notes. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio

(c) These loans are secured by way of first paripassu charge by way of hypothecation on the standard receivables of the company with asset cover of 1.20 times of the sanction amount.

Note 21. 1 - Terms of Repayment of Term Loans

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in millions)	Rate of Interest/ Yield	Amount (₹ in millions)
(i) From Banks and Financial Institution				
Floating:*		49,113.64		40,542.59
3 - 5 Years	7.95% - 9.00%	5,880.53	8.50% - 10.30%	8,377.39
1 - 3 Years	7.70% - 9.80%	26,796.07	8.50% - 10.30%	19,445.30
Less than 1 year	7.70% - 9.80%	16,437.04	6.21% - 10.30%	12,719.90
Fixed:		18,200.00		-
3 - 5 Years	8.45% - 9.75%	3,577.90	-	-
1 - 3 Years	8.00% - 9.75%	9,818.80	-	-
Less than 1 year	8.00% - 9.75%	4,803.30	-	-
(ii) From Others				
Floating:**		7,579.25		7,311.00
3 - 5 Years	-	-	8.62%	7,311.00
1 - 3 Years	8.62%	7,579.25	-	-
Total		74,892.89		47,853.59

* The rate of interest for the above term loans from banks is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

Note 21. 2 - Terms of Repayment of Other Loans

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest/ Yield	Amount (₹ in millions)	Rate of Interest/ Yield	Amount (₹ in millions)
Floating:				
Cash credit/ overdraft : Less than 1 year ***	7.60% - 8.45%	3,200.94	3.75% - 10.50%	5,433.07
Securitisation liability				
Fixed:		19,892.16		33,031.36
3- 5 Years	-	-	10.00%	713.81
1-3 Years	7.25% - 7.95%	19,452.46	7.50% - 10.10%	28,430.53
Less than 1 year	9.75% - 10.00%	439.70	7.72%	3,887.02
Project IRR		-		6,106.80
Less than 1 year	-	-	20.23% - 20.89%	6,106.80
Total		23,093.10		44,571.23

***The rate of interest for the above loans is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorisation of loans has been based on the interest rates prevalent as on the respective reporting dates.

Note 22. Subordinated Liabilities

(₹ in millions)

Particulars	At Amortised Cost As at March 31, 2022	As at March 31, 2021
(A)		
(i) Non Convertible Debentures- Unsecured (refer note 22.1)	13,267.81	16,407.52
Less: Unamortised debenture issue expenses	(220.39)	(295.05)
(ii) Interest accrued but not due	648.98	1,261.51
Total (A)	**13,696.40**	**17,373.98**
(B)		
Subordinated liabilities in India	10,225.54	13,905.34
Subordinated liabilities outside India	3,470.86	3,468.64
Total (B)	**13,696.40**	**17,373.98**

Note 22. 1 - Terms of Repayment

Residual Maturity	As at March 31, 2022		As at March 31, 2021	
	Rate of Interest / Yield	Amount (₹ in millions)	Rate of Interest / Yield	Amount (₹ in millions)
Non Convertible Debenture (Unsecured)				
Fixed		**12,028.54**		**11,878.54**
More than 5 years	8.70 % - 10.50%	11,239.29	8.70% - 10.50%	10,739.29
3- 5 Years	10.00%	259.25	10.00%	259.25
1-3 Years	12.10%	100.00	12.10% - 12.20%	530.00
Less than 1 year	12.15% -12.20%	430.00	10.50% - 10.75%	350.00
Zero Coupon		**1,239.27**		**4,528.98**
More than 5 years	9.35 % - 10.03%	1,181.44	9.35% - 10.03%	1,181.44
3- 5 Years	10.50%	57.83	10.50%	57.83
Less than 1 year	-	-	9.00%	3,289.71
Total		**13,267.81**		**16,407.52**

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Note 22.2 - Non Convertible Debentures - Unsecured - Instrument Wise Details

(₹ in millions)

Description of security	Coupon/ Yield	As at March 31, 2022	As at March 31, 2021
12.15% Unsecured Redeemable Non-Convertible Debenture. Date Of Maturity 30/08/2022	12.15%	200.00	200.00
12.20% Unsecured Redeemable Subordinated Taxable Non Convertible Debentures. Date Of Maturity 04/11/2022	12.20%	230.00	230.00
12.10% Unsecured Redeemable Non Convertible Debentures. Series 1.Date Of Maturity 24/05/2023	12.10%	100.00	100.00
10.00% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V. Date Of Maturity 06/06/2025.	10.00%	259.25	259.25
Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series VI. Date Of Maturity 06/06/2025	10.50%	57.83	57.83
8.70% Unsecured Listed Redeemable Subordinated Non Convertible Debentures. Series U03. Date Of Maturity 19/11/2027	8.70%	1,000.00	1,000.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series I . Date Of Maturity 24/06/2028	10.00%	2,746.92	2,746.92
9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture.Series II . Date Of Maturity 24/06/2028	9.60%	3,280.23	3,280.24
Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture.Series III . Date Of Maturity 24/06/2028	10.03%	681.44	681.44
9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date of Maturity 28/06/2028	9.00%	3,250.00	3,250.00
Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL MLD-2028. Series U04. Date Of Maturity 25/08/2028	9.35%	500.00	500.00
10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Maturity Date - 07/02/2029	10.00%	307.65	307.65
10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Maturity Date - 26/02/2029	10.50%	154.48	154.48
9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture. Series D16 Option B. Date Of Maturity 24/03/2032	9.35%	500.00	-
10.75% Unsecured Redeemable Non Convertible Debentures. Series U01. Date of Maturity 10/09/2021	10.75%	-	200.00
10.50% Unsecured Redeemable Non Convertible Debentures. Series U02. Date of Maturity 16/09/2021	10.50%	-	150.00
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Series G1. Date Of Maturity 21/10/2021	9.00%	-	1,130.09
Zero Coupon Unsecured Redeemable Non Convertible Debentures. G-Sec Linked Unsecured Rated Listed Redeemable Non Convertible Debentures. Series G2. Date Of Maturity 22/11/2021	9.00%	-	2,159.62
TOTAL		13,267.80	16,407.52

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Note 23. Other Financial Liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable on account of assignment/securitisation	17,475.45	14,454.01
Temporary overdrawn bank balances	3.80	128.15
Payables towards NCD	22.20	26.87
Unpaid dividends	5.19	5.52
Other payables (auction proceeds, retention payable, etc.) (refer note 23.1)	338.28	240.18
Total	**17,844.92**	**14,854.73**

Note 23.1 During the year, ₹ 4.11 million (P.Y ₹ 3.20 million) was transferred to Investor Education and Protection Fund. ₹ 0.66 million was pending to be transferred as on March 31, 2021 and was transferred within 30 days of becoming due.

Note 24. Provisions

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	228.27	196.30
Provision for leave encashment	95.57	82.93
ECL provision on sanctioned undisbursed loans	90.00	36.40
Total	**413.84**	**315.63**

Note 25. Other Non-Financial Liabilities

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Income received in advance	0.36	28.22
Advances from customers	267.20	491.37
Statutory remittances	191.39	118.87
Total	**458.95**	**638.46**

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Note 26: Equity Share Capital

(i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
2,355,250,000 Equity Shares (P.Y 2,355,250,000) of ₹ 2 each	4,710.50	4,710.50
500,000,000 Preference Shares (P.Y 500,000,000) of ₹ 10 each	5,000.00	5,000.00
Total	**9,710.50**	**9,710.50**
Issued, Subscribed and Paid-up Share Capital		
379,598,711 Equity Shares (P.Y 378,840,676) of ₹ 2 each fully paid with voting rights	759.20	757.68
Total	**759.20**	**757.68**

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹ in millions	No. of Shares	₹ in millions
Equity Shares				
At the beginning of the year	378,840,676	757.68	378,340,922	756.68
Add: Shares issued during the year	758,035	1.52	499,754	1.00
Outstanding at the end of the year	**379,598,711**	**759.20**	**378,840,676**	**757.68**

(iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2022, equity shareholders were paid an interim dividend of ₹ 3.50/- (P.Y ₹ 3.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 2 each fully paid up				
FIH Mauritius Investments Ltd	84,641,445	22.30%	84,641,445	22.34%
CDC Group PLC	29,501,587	7.77%	58,501,587	15.44%
Nirmal Bhanwarlal Jain	47,719,154	12.57%	47,719,154	12.60%
HWIC Asia Fund Class A shares	-	0.00%	28,362,530	7.49%
Smallcap World Fund, Inc	19,671,937	5.18%	-	0.00%
Parajia Bharat Himatlal	20,388,402	5.37%	19,695,000.00	5.20%

(v) Details of Shareholding of Promoters

Name of the promoter (As at March 31, 2022)	No. of Shares	% of total shares	% Change during the year*
Nirmal Bhanwarlal Jain	47,719,154	12.57%	-0.03%
Madhu N Jain	12,075,000	3.18%	-0.01%
Venkataraman Rajamani	10,984,432	2.89%	-0.01%
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.63%	-0.01%
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.37%	-0.01%
Aditi Athavankar	200,000	0.05%	0.00%
Ardent Impex Pvt Ltd	3,268,904	0.86%	0.00%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	0.00%
Total	**94,547,490**	**24.91%**	

* The change in percentage is due to dilution of Share Capital.

Name of the promoter (As at March 31, 2021)	No. of Shares	% of total shares	% Change during the year
Nirmal Bhanwarlal Jain	47,719,154	12.60%	0.11%
Madhu N Jain	12,075,000	3.19%	Nil
Venkataraman Rajamani	10,984,432	2.90%	Nil
Harshita Jain and Mansukhlal Jain (in their capacity as Trustees of Nirmal Madhu Family Private Trust)	10,000,000	2.64%	Nil
Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust)	9,000,000	2.38%	Nil
Aditi Athavankar	200,000	0.05%	Nil
Ardent Impex Pvt Ltd	3,268,904	0.86%	-0.07%
Orpheus Trading Pvt Ltd	1,300,000	0.34%	Nil
Total	**94,547,490**	**24.96%**	

(vi) During the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back except for 58,654,556 equity shares alloted on account of merger during the year ended March 31, 2020.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Company.

Note 26.1: Other Equity

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Application Money	-	-
Capital Reserve	**838.85**	**838.85**
Securities Premium Reserve		
Opening Balance	18,401.57	18,344.36
Add: Share issue expenses	(83.40)	-
Add: Addition during the year	84.52	44.59
Add/(Less): Transfer to/ (from) reserves	47.57	12.62
Closing Balance	**18,450.26**	**18,401.57**
General Reserve		
Opening Balance	5,092.87	5,086.05
Add/(Less): Transfer to/ (from) reserves	0.65	6.82
Closing Balance	**5,093.52**	**5,092.87**
Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934		
Opening Balance	5,941.91	5,255.11
Add/(Less): Transfer to/ (from) reserves	1,952.30	686.80
Closing Balance	**7,894.21**	**5,941.91**
Capital Redemption Reserve	**2,301.11**	**2,301.11**
Debenture Redemption Reserve	**128.04**	**128.04**
Retained Earnings		
Opening Balance	4,811.71	3,208.15
Add: Profit for the year	7,454.84	3,425.77
Less: Interim dividend	(1,328.21)	(1,135.41)
Add/(Less): Transfer to/ (from) reserves	(1,952.30)	(686.80)
Closing Balance	**8,986.04**	**4,811.71**
Stock Compensation Reserve		
Opening Balance	159.06	174.14
Add: Addition during the year	30.98	4.36
Add/(Less): Transfer to/ (from) reserves	(48.22)	(19.44)
Closing Balance	**141.82**	**159.06**
Effective portion of Cash Flow Hedges		
Opening Balance	(217.80)	-
Add: Other comprehensive income/ (loss)	(105.75)	(217.80)
Closing Balance	**(323.55)**	**(217.80)**
Remeasurements of defined benefit		
Opening Balance	(7.68)	(14.41)
Add: Other comprehensive income/ (loss)	7.20	6.73
Closing Balance	**(0.48)**	**(7.68)**
Total	**43,509.82**	**37,449.64**

Note 27.1 Interest Income

(₹ in millions)

Particulars	FY 2021-22				FY 2020-21			
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	On financial assets classified at fair value through OCI	Total
Interest on loans	29,210.72	-	4,734.47	33,945.19	24,249.29	-	5,507.96	29,757.25
Interest on investments	-	696.17	-	696.17	-	157.50	-	157.50
Interest on deposits with banks	601.82	-	-	601.82	530.90	-	-	530.90
Interest on inter corporate deposit	394.93	-	-	394.93	258.26	-	-	258.26
Total	**30,207.47**	**696.17**	**4,734.47**	**35,638.11**	**25,038.45**	**157.50**	**5,507.96**	**30,703.91**

Note 27.2 Dividend Income

The Company received dividend income amounting to ₹ 629.05 million (P.Y ₹ 701.88 million). Dividend received from subsidiary company ₹ 629.05 million (P.Y ₹ 643.05 million)

Note 28. Net Gain/ (Loss) on Fair Value Changes

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	720.32	1,553.43
Total net gain/(loss) on fair value changes	**720.32**	**1,553.43**
Fair value changes		
- Realised	721.61	1,513.18
- Unrealised	(1.29)	40.25
Total net gain/(loss) on fair value changes	**720.32**	**1,553.43**

Note 29. Other Income

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Rent Income	-	26.62
Profit on sale of fixed assets	3.59	2.92
Gain/(loss) on cancellation of forwards, swaps and options	-	174.98
Miscellaneous income	265.85	184.85
Total	**269.44**	**389.37**

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Note 30. Finance Costs

(₹ in millions)

Particulars	On Financial liabilities measured at Amortised Cost	
	FY 2021-22	FY 2020-21
Interest on debt securities*	6,238.55	5,803.90
Interest on borrowings other than debt securities*	7,618.16	7,301.57
Interest on subordinated liabilites*	1,408.86	1,313.48
Interest on inter corporate deposit	90.07	466.16
Interest expense on lease - INDAS 116	285.67	245.87
Other borrowing cost *	514.76	418.77
Total	**16,156.07**	**15,549.75**

* Includes foreign currency expenses incurred amounting to ₹ 2,515.44 million (P.Y ₹ 2,014.39 million)

Note 31. Net (Gain)/ Loss on Derecognition of Financial Instruments under Amortised Cost Category

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
(i) Net gain on derecognition of financial instruments under amortised cost category		
Interest strip on assignment of loans	(3,134.09)	(651.15)
(ii) Net loss on derecognition of financial instruments under amortised cost category		
Bad debts written off (net)	7,238.32	5,686.45
Total	**4,104.23**	**5,035.30**

Note 32. Impairment on Financial Instruments

(₹ in millions)

Particulars	FY 2021-22			FY 2020-21		
	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through OCI	Total
Loans (refer note 8.3)	(2,151.70)	(7.90)	(2,159.60)	1,721.99	(30.89)	1,691.10
Other financial assets	(83.24)	-	(83.24)	289.58	-	289.58
Total	**(2,234.94)**	**(7.90)**	**(2,242.84)**	**2,011.57**	**(30.89)**	**1,980.68**

Note 33. Employee Benefit Expenses

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Salaries	4,638.52	3,621.17
Contribution to provident and other funds (refer note 33.1)	301.86	236.75
Leave encashment	34.43	43.44
Gratuity (refer note 33.2)	32.93	34.97
Staff welfare expenses*	171.82	117.30
Share based payments	19.48	17.51
Total	**5,199.04**	**4,071.14**

* Includes foreign currency expenses incurred amounting to ₹ 0.05 million (P.Y Nil)

33.1 Defined contribution plans

The Company has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Contribution to Provident fund	154.79	122.42
Contribution to Employee State Insurance Corporation	35.20	32.18
Contribution to Labour welfare fund	0.81	0.57
Contribution to employee pension scheme	109.10	78.79
Contribution to National Pension Scheme	1.96	2.79
Total	**301.86**	**236.75**

33.2 Gratuity disclosure statement

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 period	1-Apr-21	1-Apr-20
Date of reporting	31-Mar-22	31-Mar-21
Period of reporting	12 Months	12 Months

Assumptions (current year)		
Expected return on plan assets	6.96%	6.44%
Rate of discounting	6.96%	6.44%
Rate of salary increase	6.00%	6.00%
Rate of employee turnover	For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a.	For service 4 years and below 28% p.a. & thereafter 2% p.a.
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

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(₹ in millions)

Table showing change in the present value of projected benefit obligation	FY 2021-22	FY 2020-21
Present value of benefit obligation at the beginning of the year	157.35	145.72
Interest cost	10.13	8.80
Current service cost	33.08	33.48
Past service cost	-	-
Liability transferred in/ acquisitions	2.04	5.32
(Liability transferred out/ divestments)	(2.44)	(9.55)
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	(0.03)	(8.21)
(Benefit paid from the fund)	(23.13)	(10.23)
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.08)	(2.15)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(14.61)	(10.11)
Actuarial (gains)/losses on obligations - due to experience	4.75	4.28
Present value of benefit obligation at the end of the year	167.06	157.35

(₹ in millions)

Table showing change in the Fair Value of Plan Assets	FY 2021-22	FY 2020-21
Fair value of plan assets at the beginning of the year	159.70	121.01
Interest income	10.29	7.31
Contributions by the employer	31.29	40.60
Expected contributions by the employees	-	-
Assets transferred in/ acquisitions	-	-
(Assets transferred out/ divestments)	-	-
(Benefit paid from the fund)	(23.13)	(10.23)
(Assets distributed on settlements)	-	-
Effects of asset ceiling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	(0.34)	1.01
Fair value of plan assets at the end of the year	177.81	159.70

(₹ in millions)

Amount recognised in the Balance Sheet	FY 2021-22	FY 2020-21
(Present value of benefit obligation at the end of the year)	(167.06)	(157.35)
Fair value of plan assets at the end of the year	177.81	159.70
Funded status (surplus/ (deficit))	10.75	2.35
Net (liability)/asset recognised in the Balance Sheet	10.75	2.35

(₹ in millions)

Net interest cost for current year	FY 2021-22	FY 2020-21
Present value of benefit obligation at the beginning of the year	157.35	145.72
(Fair value of plan assets at the beginning of the year)	(159.70)	(121.01)
Net liability/(asset) at the beginning	(2.35)	24.71
Interest cost	10.13	8.80
(Interest income)	(10.29)	(7.31)
Net interest cost for current year	(0.16)	1.49

(₹ in millions)

Expenses recognised in the Statement of Profit or Loss for current year	FY 2021-22	FY 2020-21
Current service cost	33.08	33.48
Net interest cost	(0.16)	1.49
Past service cost	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Expenses recognised	32.92	34.97

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(₹ in millions)

Expenses recognised in OCI for current year	FY 2021-22	FY 2020-21
Actuarial (gains)/ losses on obligation for the year	(9.94)	(7.97)
Return on plan assets, excluding interest income	0.34	(1.02)
Change in asset ceiling	-	-
Net (income)/ expense for the year recognised in OCI	(9.60)	(8.99)

(₹ in millions)

Balance Sheet reconciliation	FY 2021-22	FY 2020-21
Opening net liability	(2.35)	24.71
Expenses recognised in Statement of Profit or Loss	32.93	34.97
Expenses recognised in OCI	(9.61)	(8.99)
Net liability/(asset) transfer in	2.04	5.32
Net (liability)/asset transfer out	(2.45)	(9.55)
(Benefit paid directly by the employer)	(0.03)	(8.21)
(Employer's contribution)	(31.29)	(40.60)
Net liability/(asset) recognised in the Balance Sheet	(10.76)	(2.35)

(₹ in millions)

Category of Assets	FY 2021-22	FY 2020-21
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	177.81	159.71
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	177.81	159.71

Information for major category of plan assets of gratuity fund is not available with the Company and hence not disclosed

(₹ in millions)

Net interest cost for next year	FY 2021-22	FY 2020-21
Present value of benefit obligation at the end of the year	167.06	157.35
(Fair value of plan assets at the end of the year)	(177.81)	(159.70)
Net liability/ (asset) at the end of the year	(10.75)	(2.35)
Interest cost	11.63	10.13
(Interest income)	(12.38)	(10.29)
Net interest cost for next year	(0.75)	(0.15)

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Chhajed & Doshi Chartered Accountants Mumbai 400 009.

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(₹ in millions)

Expenses recognised in the Statement of Profit or Loss for next year	FY 2021-22	FY 2020-21
Current service cost	39.70	33.08
Net interest cost	(0.75)	(0.15)
(Expected contributions by the employees)	-	-
Expenses recognised	38.95	32.93

(₹ in millions)

Maturity analysis of the benefit payments: From the Fund	FY 2021-22	FY 2020-21
Projected benefits payable in future years from the date of reporting		
1st following year	3.54	11.59
2nd following year	3.83	3.08
3rd following year	4.57	3.62
4th following year	4.84	4.18
5th following year	5.20	4.38
Sum of years 6 To 10	38.45	31.70
Sum of years 11 and above	569.46	463.37

(₹ in millions)

Sensitivity analysis	FY 2021-22	FY 2020-21
Projected benefit obligation on current assumptions	167.07	157.36
Delta effect of +1% change in rate of discounting	(23.91)	(21.75)
Delta effect of -1% change in rate of discounting	29.65	27.06
Delta effect of +1% change in rate of salary increase	28.25	25.38
Delta effect of -1% change in rate of salary increase	(23.31)	(20.90)
Delta effect of +1% change in rate of employee turnover	1.84	0.33
Delta effect of -1% change in rate of employee turnover	(2.40)	(0.59)

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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Notes
Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation. Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees. Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation. Value of asset is considered as fair value of plan asset for the period of reporting.

Qualitative disclosures
Characteristics of defined benefit plan The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.
Risks associated with defined benefit plan Gratuity is a defined benefit plan and company is exposed to the following risks: **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset. **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability. **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments. **Asset liability matching risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 103 of Income Tax Rules, 1962, this generally reduces ALM risk. **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Characteristics of defined benefit plans During the year, there were no plan amendments, curtailments and settlements.
A separate trust fund is created to manage the Gratuity plan.

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Note 34. Other Expenses

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Advertisement and marketing expenses*	408.59	283.68
Direct operating expenses	480.93	100.14
Bank charges	143.30	41.08
Commission to non whole-time directors	3.26	-
Communication costs	75.90	62.43
Electricity	122.33	89.70
Exchange and statutory charges	34.07	5.93
Legal & professional fees*	566.02	336.71
Directors sitting fees	7.03	5.79
Office expenses	126.75	100.88
Postage & courier	47.82	28.33
Printing & stationary	45.56	30.22
Rates & taxes	12.21	1.79
Rent	24.64	7.84
Repairs & maintenance		
- Computer	12.26	10.58
- Others*	128.78	65.71
Remuneration to auditors		
- Audit fees	4.53	4.46
- Certification / other services **	0.51	0.44
- Out of pocket expenses	0.12	-
Software charges*	226.07	111.32
Travelling & conveyance*	136.92	53.37
Corporate social responsibility expenses (refer note 43)	82.00	47.10
Miscellaneous expenses	2.45	4.44
Insurance premium	202.29	236.23
Security expenses	909.54	792.58
Total	**3,803.90**	**2,420.75**

*Includes below expenses incurred in foreign currency on accrual basis

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Advertisement and marketing expenses	-	1.39
Travelling & conveyance	0.27	-
Repairs & Maintenance: Others	0.26	-
Software charges	0.61	0.92
Legal & professional fees	13.93	1.76

** During the year the Company has paid ₹ 2.12 million (P.Y ₹ 2.30 million) to the auditors towards certification required for Public Issue of Non Convertible Debentures and the same has been amortised over the tenure of the borrowings.

Note 35. Exceptional Items

i) During the previous year ended March 31, 2021, the Company had transferred 66,061,285 number of fully paid equity shares of ₹ 10/- each constituting of 25% equity shares held by the Company in IIFL Samasta Finance Limited (Formerly Samsata Microfinance Limited), a subsidiary Company, to IIFL Home Finance Limited, a Wholly-owned subsidiary Company, at fair value of ₹ 20 per share. The Profit on sale aggregating to ₹ 530.50 million had been disclosed as an exceptional item.

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Note 36. Income Taxes

(₹ in millions)

Amounts recognised in statement of profit or loss	FY 2021-22	FY 2020-21
Current tax expense		
Current year	1,712.83	972.83
Changes in estimates related to prior years	(5.71)	43.83
Deferred tax expense		
Origination and reversal of temporary differences	511.79	(167.48)
Total	**2,218.91**	**849.18**

(₹ in millions)

Amounts recognised in other comprehensive income	FY 2021-22 Amount	FY 2021-22 Tax expense	FY 2021-22 Net of tax	FY 2020-21 Amount	FY 2020-21 Tax expense	FY 2020-21 Net of tax
Remeasurements of defined benefit liability/ (asset)	9.61	(2.41)	7.20	8.99	(2.26)	6.73
Cash flow hedge reserve	(141.32)	35.57	(105.75)	(291.04)	73.24	(217.80)

(₹ in millions)

Reconciliation of income tax expense of the year to accounting year	FY 2021-22	FY 2020-21
Profit before tax	**9,673.75**	**4,274.95**
Tax using the Company's domestic tax rate (25.17%)	2,434.70	1,075.92
Tax effect of:		
Non-deductible expenses	23.51	11.85
Tax-exempt income- Others (includes deduction under section 80JJAA)	(45.98)	(37.44)
Tax-exempt income- Dividend	(158.32)	(176.65)
Income taxed at different rates	(40.78)	(68.67)
Adjustments for current tax for prior periods	(5.69)	43.83
De-Recognition of previously recognised deductible temporary differences	11.51	0.34
Total income tax expense	**2,218.95**	**849.18**
Effective tax rate	**22.94%**	**19.86%**

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Note 37. Earnings Per Share

Basic and Diluted Earnings Per Share ("EPS") computed in accordance with INDAS 33 "Earnings per share"

Particulars		FY 2021-22	FY 2020-21
Face value of equity shares (in ₹) fully paid up		2.00	2.00
BASIC			
Profit after tax as per statement of Profit and Loss (₹ in millions)		7,454.84	3,425.77
Less: Preference dividend		-	-
Profit after tax attributable to equity share holders (₹ in millions)	A	7,454.84	3,425.77
Weighted average number of equity shares outstanding	B	379,194,372	378,417,476
Basic EPS (In ₹)	**A/B**	**19.66**	**9.05**
DILUTED			
Weighted average number of equity shares for computation of basic EPS		379,194,372	378,417,476
Add: Potential equity shares on account conversion of Employees Stock Options		2,254,850	806,252
Weighted average number of equity shares for computation of diluted EPS	C	381,449,222	379,223,728
Diluted EPS (In ₹)	**A/C**	**19.54**	**9.03**

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Note 38. Risk Management

The Company's activities expose it to market risk, liquidity risk and credit 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. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross stage 3 assets and net stage 3 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. 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 Structure

The Company has established multi-level risk governance for monitoring and 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 Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line 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 and 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.

Risk Management Practices

The Company has developed the necessary competency to identify early stress signals and has also 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.

It has initiated a detailed 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 standardise credit underwriting and improve sourcing quality in the long run.

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 RMC at periodic intervals.

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 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.

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Note: 38A.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 loans, trade receivables, investments, derivative financial instruments, and other receivables.

Credit Quality Analysis

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

(₹ in millions)

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 using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	43,569.37	43,569.37
Bank balance other than above	-	-	-	12,518.66	12,518.66
Receivables					
(i) Trade receivables	-	-	0.03	1,405.40	1,405.43
(ii) Other receivables	-	-	-	158.00	158.00
Loans*	92,405.89	7,816.83	4,062.06	-	104,284.79
Investments**	-	-	-	14,103.33	14,103.33
Other financial assets	-	-	-	5,409.04	5,409.04

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.
**Investments in subsidiaries carried at cost.

(₹ in millions)

Particulars	As at March 31, 2021				
	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 using simplified approach/ cost	Total
Cash and cash equivalents	-	-	-	20,518.72	20,518.72
Bank Balance other than above	-	-	-	15,406.27	15,406.27
Receivables					
(i) Trade receivables	-	-	2.95	1,590.78	1,593.73
(ii) Other receivables	-	-	-	5.10	5.10
Loans*	102,250.10	25,888.83	4,080.43	-	132,219.36
Investments**	-	-	-	11,853.33	11,853.33
Other Financial assets	-	-	-	2,211.74	2,211.74

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.
**Investments in subsidiaries carried at cost.

Financial Assets Measured Using Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, trade receivables, other receivables 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.

38A.2. Collateral Held

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

38A.3. Loss Allowance and Exposure At Default

The following table shows movement of the loss allowance on loans and advances:

(₹ in millions)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-21	3,545.11	599.09	1,070.30	503.66	2,087.08	560.88	6,702.49	1,663.63
New loans disbursed during the year	1,697.21	186.45	44.33	12.27	121.15	20.93	1,862.69	219.65
Loans closed/ written off during the year	(2,220.24)	(397.79)	(673.22)	(451.51)	(1,445.27)	(294.28)	(4,338.73)	(1,143.58)
Movement in provision without change in asset staging	148.64	152.34	194.94	10.30	(69.38)	24.92	274.20	187.56
Movement in provision due to change in asset staging	(164.66)	(23.67)	(149.88)	(39.54)	907.89	85.17	593.35	21.96
Closing ECL Mar-22	3,006.06	516.42	486.47	35.18	1,601.47	397.62	5,094.00	949.22

(₹ in millions)

Reconciliation of loss allowance	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	Others	Principal	Others	Principal	Others	Principal	Others
Opening ECL Mar-20	2,240.64	293.43	457.45	149.48	2,973.14	1,318.26	5,671.23	1,761.17
New loans disbursed during the year	751.89	88.20	412.10	408.62	146.46	32.55	1,310.45	529.37
Loans closed/ written off during the year	(421.19)	(44.92)	(232.68)	(36.93)	(2,250.74)	(1,147.79)	(2,904.61)	(1,229.64)
Movement in provision without change in asset staging	1,243.22	278.15	42.32	(63.33)	(31.39)	65.05	1,254.15	279.87
Movement in provision due to change in asset staging	(269.45)	(15.77)	391.11	45.82	1,249.61	292.81	1,371.27	322.86
Closing ECL Mar-21	3,545.11	599.09	1,070.30	503.66	2,087.08	560.88	6,702.49	1,663.63

The following table shows movement of the Exposure At Default ("EAD")

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2021	119,479.67	13,445.88	23,403.27	1,888.39	3,519.54	560.88	146,402.48	15,895.15
New loans disbursed during the year	86,643.27	8,297.49	2,781.17	152.24	458.41	20.93	89,882.85	8,470.66
Loans closed/ written off during the year	(77,079.30)	(9,769.97)	(16,385.25)	(1,387.37)	(2,317.81)	(294.28)	(95,782.36)	(11,451.62)
Movement in EAD without change in asset staging	(10,693.34)	1,229.00	(274.34)	(16.98)	(69.09)	24.92	(11,036.77)	1,236.94
Movement in EAD due to change in asset staging	(3,238.96)	(331.75)	(2,050.00)	(66.44)	2,073.41	85.15	(3,215.55)	(313.04)
Closing EAD Mar-2022	115,111.34	12,870.65	7,474.85	569.84	3,664.46	397.60	126,250.65	13,838.09

(₹ 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	Others	Principal	Others	Principal	Others	Principal	Others
Opening EAD Mar-2020	121,932.77	19,085.90	5,131.22	1,344.22	4,130.46	1,318.26	131,194.45	21,748.38
New loans disbursed during the year	74,792.48	2,102.38	15,062.35	1,009.82	502.25	32.55	90,357.08	3,144.75
Loans closed/written off during the year	(53,778.27)	(7,699.73)	(3,763.26)	(981.73)	(3,050.05)	(1,147.79)	(60,591.58)	(9,829.25)
Movement in EAD without change in asset staging	(9,476.92)	(241.77)	(120.00)	(152.11)	(49.34)	65.05	(9,646.26)	(328.83)
Movement in EAD due to change in asset staging	(13,990.39)	199.10	7,092.96	668.19	1,986.22	292.81	(4,911.22)	1,160.10
Closing EAD Mar-2021	119,479.67	13,445.88	23,403.27	1,888.39	3,519.54	560.88	146,402.48	15,895.15

38A.4. Write Off

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is ₹ 7,238.32 million (P.Y ₹ 5,686.45 million)

38A.5. Modified Financial Instruments

For financial assets, such as a loan to a customer, when 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/ loss based on discounted cash flow basis in the below table:

Particulars	FY 2021-22	FY 2020-21
Value of modified assets at the time of modification	18,863.61	25,796.17
Value of modified assets outstanding at end of year	18,815.61	25,574.78
Modification gain/ (loss)	(48.00)	(221.39)

The above modification is in accordance with the provisions defined in the Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 Circular No DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (updated as on March 03, 2022)

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38A.6. Credit Risk Grading of Loans

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.

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 on a periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below:

Credit Grading Details

(₹ in millions)

Period	Stage 1	Stage 2	Stage 3	Total EAD
March 31, 2022	127,981.99	8,044.69	4,062.06	140,088.74
March 31, 2021	132,925.55	25,291.66	4,080.42	162,297.63

38A.7. Concentration 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 various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

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38B 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 marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) framework with an appropriate 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 (including financial guarantee) 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	1,494.62	30.58	-	31.69	1,432.36	-	-
Trade payables	861.67	836.66	1.87	12.91	0.40	9.83	-
Other payables	99.06	99.06	-	-	-	-	-
Finance lease obligation*	4,181.55	232.18	229.24	455.77	1,392.81	1,027.14	844.40
Debt securities	51,052.83	6,064.29	284.55	1,394.69	34,471.10	3,138.20	5,700.00
Borrowings (other than debt securities)	97,710.68	5,785.30	6,266.38	17,702.49	58,840.16	9,116.35	-
Subordinated liabilities	13,696.40	306.37	214.31	282.00	100.00	333.99	12,459.73
Other financial liabilities	17,844.92	17,584.73	-	-		260.19	-
Financial guarantee contracts	8,454.96	8,454.96	-	-	-	-	-
Total	**195,396.69**	**39,394.13**	**6,996.35**	**19,879.55**	**96,236.83**	**13,885.70**	**19,004.13**

* The amount represent undiscounted cash flows

(₹ in millions)

Contractual maturities of financial liabilities (including financial guarantee) 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	1,186.69	-	212.88	-	973.81		-
Trade payables	664.22	664.22	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Finance lease obligation*	4,080.32	180.31	178.03	353.96	1,292.83	953.41	1,121.78
Debt securities	53,446.73	3,933.10	1,431.35	10,024.60	38,057.69	-	-
Borrowings (other than debt securities)	92,179.83	11,955.11	15,404.57	20,252.42	28,626.77	15,940.96	-
Subordinated liabilities	17,373.98	256.72	364.42	4,138.21	530.00	326.89	11,757.75
Other financial liabilities	14,854.73	14,805.62	-	-	49.11	-	-
Financial guarantee contracts	12,255.43	12,255.43	-	-	-	-	-
Total	**196,041.92**	**44,050.50**	**17,591.23**	**34,769.20**	**69,530.21**	**17,221.27**	**12,879.53**

* The amount represent undiscounted cash flows

Note : Borrowings includes cash credit facilities which has been shown in "over 6 months to 1 year" and "over 1 year to 3 years" in the ratio of 40% and 60% respectively.

(ii) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	14,522.50	4,556.55
- Expiring beyond one year (bank loans)	-	-

38C Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument.

38C.1 Interest Rate Risk

The exposure of the Company's borrowing and loans to interest rate changes at the end of the reporting period are as follows:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate borrowings	59,893.83	53,286.66
Fixed rate borrowings	100,843.55	101,211.87
Project IRR	-	6,106.80
Total borrowings	**160,737.38**	**160,605.33**

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 borrowings	Weighted average interest rate (%)	Balance	% of total borrowings
Bank overdrafts, bank loans	8.64%	52,314.58	32.55%	8.63%	45,975.66	28.63%
Non convertible debentures	-	-	-	-	-	-
External Commercial borrowings	8.62%	7,579.25	4.72%	8.62%	7,311.00	4.55%
Inter corporate deposit	-	-	-	-	-	-
Net exposure to cash flow interest rate risk		**59,893.83**			**53,286.66**	

Sensitivity

(i) Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates (assuming other variables constant):

(₹ in millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest rates – increase by 30 basis points	(134.46)	(119.63)	-	-
Interest rates – decrease by 30 basis points	134.46	119.63	-	-

(ii) The Company does not have any outstanding variable rate loans given and hence there is no impact on Profit & loss account due to any such change.

38C.2. 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 primarily to the foreign currency borrowings taken from Financial Institutions, External Commercial Borrowings (ECB) and foreign bond markets.

(i) The Company has hedged its foreign currency exposure through Forwards/ Future 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).

As at March 31, 2022

(₹ in millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	644.13	-	-	-	-	-
Foreign currency liabilities (in INR)*	1,494.62	-	-	-	-	-
Net Assets/(Liabilities)	(850.49)	-	-	-	-	-

As at March 31, 2021

(₹ in millions)

Particulars	USD	EUR	CHF	JPY	SGD	Other Currencies
Foreign currency assets (in INR)*	416.88	-	-	-	-	-
Foreign currency liabilities (in INR)*	1,186.69	-	-	-	-	-
Net Assets/(Liabilities)	(769.81)	-	-	-	-	-

* Fully hedged by forward contract, future contract and Cross Currency Interest Rate Swaps.

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in millions)

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD sensitivity*				
INR/ USD - increase by 5%	-	-	(1,343.34)	(1,368.01)
INR/ USD - decrease by 5%	-	-	1,343.34	1,368.01

* Holding all other variables constant,the sensitivity on profit and loss is due to the timing differences of the maturity of the forward exchange contract. On the date of maturity of the forward exchange contract, the sensitivity of profit and loss to changes in the exchange rates will be nil.

38C.3. Price Risk

(i) Exposure

The Company's exposure to assets having price risk is as under (Net)

(₹ in millions)

Particulars	Equity Shares (Other than Subsidiary)	Mutual Funds / Alternate investment funds/ Others	Bonds	Security Receipts	Total
Market value as on March 31, 2022	-	9,552.20	-	833.00	10,385.20
Market value as on March 31, 2021	-	189.24	-	-	189.24

To manage its price risk arising from investments in equity shares/ other assets, the Company diversifies its portfolio.

(ii) Sensitivity

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Increase 5%	388.57	7.08	-	-
Decrease 5%	(388.57)	(7.08)	-	-

38D.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 capital adequacy ratio as prescribed by the Reserve Bank Of India.

38E. Fair Values of Financial Instruments

Financial Instruments by Category

(₹ in millions)

Particulars	As at March 31, 2022 Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	43,569.37
Bank Balance other than above	-	-	12,518.66
Derivative financial instruments	-	644.13	-
Receivables			
(i) Trade receivables	-	-	1,405.43
(ii) Other receivables	-	-	158.00
Loans	-	27,770.59	101,069.87
Investments	10,385.21	-	14,103.33
Other financial assets	-	-	5,185.75
Total financial assets	**10,385.21**	**28,414.72**	**178,010.40**
Financial liabilities			
Derivative financial instruments	-	1,494.62	-
Trade payables	-	-	861.67
Other payables	-	-	99.06
Finance lease obligation	-	-	3,276.24
Debt securities	-	-	51,052.83
Borrowings (other than debt securities)	-	-	97,710.68
Subordinated liabilities	-	-	13,696.40
Other financial liabilities	-	-	17,844.92
Total financial liabilities	**-**	**1,494.62**	**184,541.79**

(₹ in millions)

Particulars	As at March 31, 2021 Fair Value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost / Cost
Financial assets			
Cash and cash equivalents	-	-	20,518.72
Bank Balance other than above	-	-	15,406.27
Derivative financial instruments	-	416.88	-
Receivables	-	-	
(i) Trade receivables	-	-	1,593.73
(ii) Other receivables	-	-	5.10
Loans	-	28,904.75	127,038.24
Investments	189.24	-	11,853.33
Other financial assets	-	-	2,079.67
Total financial assets	**189.24**	**29,321.63**	**178,495.06**
Financial liabilities			
Derivative financial instruments	-	1,186.69	-
Trade payables	-	-	664.22
Other payables	-	-	-
Finance lease obligation			3,054.22
Debt securities	-	-	53,446.73
Borrowings (other than debt securities)	-	-	92,179.83
Subordinated liabilities	-	-	17,373.98
Other financial liabilities	-	-	14,854.73
Total financial liabilities	**-**	**1,186.69**	**181,573.71**

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38E. 1. Financial Instruments Measured At Fair Value – Fair Value Hierarchy

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.

38E.2. Valuation Methodologies Of Financial Instruments Measured At Fair Value

- Quoted equity/ debt instruments are measured based on the last traded price in the recognised stock exchange and are classified as level 1.
- Quoted Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Alternate Investment Funds and unquoted Mutual Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
- Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
- Government Securities are valued based on the closing price published by FBIL and are classified as level 2.
- Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.
- Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
- Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2022	Level 1	Level 2	Level 3	Total	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	644.13	-	644.13	644.13
Loans - classified under FVTOCI	-	-	27,770.59	27,770.59	27,770.59
Investments	**0.04**	**833.00**	**9,552.17**	**10,385.21**	**10,385.21**
(i) Mutual funds/ Alternate investment fund / Others	0.04	-	9,552.17	9,552.21	9,552.21
(ii) Security receipts (Net)	-	833.00	-	833.00	833.00
Total financial assets	**0.04**	**1,477.13**	**37,322.76**	**38,799.93**	**38,799.93**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	1,494.62	-	1,494.62	1,494.62
Total financial liabilities	-	**1,494.62**	-	**1,494.62**	**1,494.62**

(₹ in millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements As at March 31, 2021	Level 1	Level 2	Level 3	Total	Carrying Value
Financial assets					
Forward rate agreements and interest rate swaps	-	416.88	-	416.88	416.88
Loans - classified under FVTOCI	-	-	28,904.75	28,904.75	28,904.75
Investments	**118.18**	-	**71.06**	**189.24**	**189.24**
(i) Mutual funds/ Alternate investment fund / Others	118.18	-	71.06	189.24	189.24
Total financial assets	**118.18**	**416.88**	**28,975.81**	**29,510.87**	**29,510.87**
Financial liabilities					
Forward rate agreements and interest rate swaps	-	1,186.69	-	*1,186.69*	*1,186.69*
Total financial liabilities	-	**1,186.69**	-	**1,186.69**	**1,186.69**

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38E.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.

Short-Term Financial Assets And Liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents,other financial assets and other financial liabilities and trade payables.

Loans, Debts, Borrowings And Subordinated Debts

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 identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity or original maturity less than one year, the carrying value has been considered as fair value. Fair values of Loans and advances are presented net of provisions for impairment.

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2022	Total Fair value	Carrying value	Valuation hierarchy
Financial assets			
Cash and cash equivalents	43,569.37	43,569.37	-
Bank Balance other than included above	12,518.66	12,518.66	-
Receivables			
(i) Trade receivables	1,405.43	1,405.43	-
(ii) Other receivables	158.00	158.00	-
Loans	98,839.54	101,069.87	Level 3
Investment in subsidiary*	14,103.33	14,103.33	-
Other financial assets	5,185.75	5,185.75	-
Total financial assets	**175,780.08**	**178,010.41**	
Financial Liabilities			
Trade payables	861.67	861.67	-
Other payables	99.06	99.06	-
Debt securities **	50,078.72	51,052.83	Level 3
Borrowings (other than debt securities)	92,452.15	97,710.68	Level 3
Subordinated liabilities	14,045.30	13,696.40	Level 3
Other financial liabilities	17,844.92	17,844.92	-
Total financial liabilities	**175,381.82**	**181,265.56**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed.

** For Secured Medium Term Notes book value has been considered as fair value.

(₹ in millions)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at March 31, 2021	Total Fair value	Carrying value	Valuation hierarchy
Financial assets			
Cash and cash equivalents	20,518.72	20,518.72	-
Bank Balance other than included above	15,406.27	15,406.27	-
Receivables	-		
(i) Trade receivables	1,593.73	1,593.73	-
(ii) Other receivables	5.10	5.10	-
Loans	124,479.83	127,038.24	Level 3
Investment in subsidiary*	11,853.33	11,853.33	-
Other financial assets	2,079.67	2,079.67	-
Total financial assets	**175,936.65**	**178,495.06**	
Financial Liabilities			
Trade payables	664.22	664.22	-
Other payables	-	-	-
Debt securities**	53,760.78	53,446.73	Level 3
Borrowings (other than debt securities)	92,192.68	92,179.83	Level 3
Subordinated liabilities	17,964.46	17,373.98	Level 3
Other financial liabilities	14,854.73	14,854.73	-
Total financial liabilities	**179,436.86**	**178,519.49**	

* Investments in subsidiaries are carried at amortised cost and hence fair value is not disclosed

** For Secured Medium Term Notes book value has been considered as fair value.

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38.E.4 Movements In Level 3 Financial Instruments Measured At Fair Value :

The following tables shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in millions)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2021	28,904.75	71.06	-
Issuances	85,935.74	10,526.44	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(87,069.90)	(1,740.46)	-
Total gain/ (loss) recognised in profit and loss	-	695.13	-
Transfers in	-	-	-
Transfers out	-	-	-
Balances as at March 31, 2022	27,770.59	9,552.17	-
Unrealised gain /(loss) related to balances held at the end of financial year	-	685.67	-

(₹ in millions)

Particulars	Loans - Classified under FVOCI	Alternate Investment fund	Equity
Balances as at April 1, 2020	28,248.10	50.01	988.50
Issuances	61,464.56	12.44	-
Sale of financial instrument classified as level 3 at the beginning of the financial year	(60,807.91)	(0.06)	(1,450.00)
Total gain/ (loss) recognised in profit and loss	-	8.67	461.50
Transfers in	-	-	-
Transfers out	-	-	-
Balances as at March 31, 2021	28,904.75	71.06	-
Unrealised gain/ losses related to balances held at the end of financial year	-	(9.46)	-

38 F. Transferred Financial Assets That Are Derecognised In Their Entirety

During the year ended March 31, 2022, the Company sold loans measured at FVTOCI through assignment deals. The Company derognised the assets as per IND AS 109 as all the risks and rewards relating to assets were transferred to the buyer.

The table below summarises the carrying amount of the derecognised financial assets measured at FVTOCI and the gain/ (loss) on derecognition, per type of asset.

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Financial assets derecognised during the year	87,069.90	60,807.91
Gain from derecognition	4,107.08	1,674.58

38 G. Transferred Financial Assets That Are Recognised In Their Entirety:

The Company uses securitisation 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)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	19,892.16	39,138.16
Carrying amount of associated liabilities	19,892.16	39,138.16
Fair value of assets	19,888.06	39,151.01
Fair value of associated liabilities	19,888.06	39,151.01
Net position at Fair value	-	-

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Note 39. Capital, Other Commitments And Contingent Liabilities At Balance Sheet Date:

Contingent Liabilities:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
In respect of Income tax demands (refer note (a) and (b))	663.06	486.49
In respect of GST/Service tax demands (including interest accrued and refer note (c))	831.66	617.50
In respect of Profession tax demands (refer note (d))	1.55	1.55
In respect of Bank guarantees given (refer note (e))	8,454.96	12,255.43
In respect of Stamp Duty (refer note (f))	166.60	-

(a) The Company has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is ₹ 417.70 million (P.Y ₹ 233.89 million).

(c) Amount paid under protest with respect to service tax demand ₹ 18.92 million (P.Y ₹ 18.92 million) and with respect to GST demand ₹ 0.18 million (P.Y Nil).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.47 million (P.Y ₹ 0.47 million).

(e) Guarantee has been given on behalf of subsidiary.

(f) The Company has received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand has been raised for a sum of ₹ 750.00 million. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and IIFL Wealth Management Limited equally. The Company has appealed against the same and paid ₹ 83.40 million under protest towards its share of the liability and shown ₹ 166.60 million as Contingent.

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

Commitments Not Provided For:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Commitments related to loans sanctioned but undrawn	7,935.49	913.64
Estimated amount of contracts remaining to be executed on capital account	187.51	325.42
Commitments related to Alternate Investment Funds	205.95	20.16

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Note 40. Employee Stock Option

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2022 ESOP 2008	As at March 2021 ESOP 2008
Number of Option outstanding	1,147,105	331,525
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017, 04-Sep-2020, 06-May-2021, 20-Aug-2021 and 22-Dec-2021.	05-Aug-2014, 02-Mar-2015, 08-Mar-2016, 29-Apr-2017 and 04-Sep-2020
Grant Price (₹ Per Share)	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71, ₹ 126.64, ₹ 252.00, ₹ 252.00 and ₹ 271.40	₹ 61.40, ₹ 82.73, ₹ 82.02, ₹ 218.71 and ₹ 126.64

(b) (i) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**331,525**	**82.02-218.71**	**93.70**	**2.65**
Granted during the year	925,000	252.00-271.40	252.52	-
Expired/forfeited during the year	14,360	82.02	82.65	-
Exercised during the year	95,060	82.02-82.73	82.04	-
Outstanding as on March 31, 2022	**1,147,105**	**82.02-271.40**	**222.89**	**5.44**
Exercisable as on March 31, 2022	**177,105**	**82.02-271.40**	**92.54**	**1.14**

b) (ii) Movement of options during year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2020	**434,937**	**61.40-218.71**	**87.76**	**2.89**
Granted during the year	50,000	126.64	126.64	-
Expired/forfeited during the year	27,315	82.02-218.71	132.06	-
Exercised during the year	126,097	61.40-82.73	77.95	-
Outstanding as on March 31, 2021	**331,525**	**82.02-218.71**	**93.70**	**2.65**
Exercisable as on March 31, 2021	**276,725**	**82.02-218.71**	**85.58**	**1.96**

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2008			
	2021-22			2020-21
	6-May-21	19-Aug-21	22-Dec-21	4-Sep-20
Stock price (₹)	252.00	252.00	271.40	87.85
Volatility	10.00%	10.00%	10.00%	10.00%
Risk-free Rate	5.66%	5.77%	5.81%	6.56%
Exercise price (₹)	252.00	252.00	271.40	126.64
Time to Maturity (Years)	5.00	5.00	5.00	5.00
Dividend yield	3.00%	3.00%	3.00%	3.00%
Weight Average Value (₹)	34.72	35.40	35.40	21.10

Stock Price: The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility: The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

a) The details of various Employee Stock Option Schemes are as under:

Particulars	As at March 2022 ESOP 2020	As at March 2021 ESOP 2020
Number of Option outstanding	3,572,033	4,433,233
Method of accounting	Fair Value	Fair Value
Vesting Plan	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options.	
Exercise Period	Seven years from the date of grant	
Grant Date	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019	02-Dec-2015, 09-Mar-2016, 08-Feb-2017, 02-May-2018, 04-Sep-2018, 21-Nov-2018, 18-Jan-2019 and 18-Sep-2019
Grant Price (₹ Per Share)	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63	₹ 61.48, ₹ 61.48, ₹ 106.67, ₹ 142.22, ₹ 177.04, ₹ 177.04, ₹ 182.22, ₹ 129.63

(b) (i) Movement of options during the year ended March 31, 2022

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2021	**4,433,233**	**61.48-182.22**	150.40	**4.06**
Granted during the year	-	-	-	-
Expired/forfeited during the year	198,225	177.04-182.22	177.37	-
Exercised during the year	662,975	61.48-182.22	118.03	-
Outstanding as on March 31, 2022	**3,572,033**	**61.48-182.22**	**154.91**	**3.19**
Exercisable as on March 31, 2022	**2,031,205**	**61.48-182.22**	**150.73**	**3.05**

(b) (ii) Movement of options during the year ended March 31, 2021

Particulars	Option Outstanding	Range of exercise price (in ₹)	Weight average exercise price (in ₹)	Weight average remaining contractual life (Years)
Outstanding as on April 01, 2020	**8,265,678**	**61.48 -182.22**	**157.65**	**5.15**
Granted during the year	-	-	-	-
Expired/forfeited during the year	3,458,788	61.48-182.22	173.65	-
Exercised during the year	373,657	61.48-182.22	95.69	-
Outstanding as on March 31, 2021	**4,433,233**	**61.48-182.22**	**150.40**	**4.06**
Exercisable as on March 31, 2021	**2,001,004**	**61.48-182.22**	**132.44**	**3.57**

V. Sankar Aiyar & Co. Chartered Accountants

Chhajed & Doshi Chartered Accountants Mumbai 400 089

IIFL Finance Limited

Fair Value Methodology:

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Particulars	ESOP 2020			
	21-Nov-18	4-Sep-18	2-May-18	2-May-18
Stock price (₹)	179.63	179.63	179.63	179.63
Volatility	59%	59%	59%	59%
Risk-free Rate	7.21% - 7.40%	7.21% - 7.44%	7.13% - 7.40%	7.13% - 7.34%
Exercise price (₹)	177.04	177.04	142.22	142.22
Time to Maturity (Years)	5.39	5.43	5.09	4.84
Dividend yield	1.00%	1.00%	1.00%	1.00%
Weight Average Value (₹)	102.29	102.87	106.78	106.94

Particulars	ESOP 2020		
	18-Sep-19	18-Jan-19	18-Jan-19
Stock price (₹)	179.63	179.63	179.63
Volatility	59%	59%	59%
Risk-free Rate	7.34% - 7.49%	7.28% - 7.49%	7.28% - 7.44%
Exercise price (₹)	129.63	182.22	182.22
Time to Maturity (Years)	6.22	5.80	5.55
Dividend yield	1.00%	1.00%	1.00%
Weight Average Value (₹)	118.06	161.25	102.16

Stock Price: The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Mercahnt Banker's Report.

Volatility: The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

Risk-free rate of return: The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

Exercise Price: Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

Time to Maturity: Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI

CHHAJED & DOSHI CHARTERED ACCOUNTANTS MUMBAI 400 003.

IIFL FINANCE LIMITED

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

Note 41. Additional Dislcoure Requirements

(i) Relationship With Struck off Companies

The Company has not entererd into any transactions with strike off companies.

(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(iii) Compliance With Number of Layers of Companies:

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

(iv) Utilisation of Borrowed Funds and Share Premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Undisclosed Income

The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

(vi) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) Disclosure of Benami Property

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

(viii) Disclosure of Borrowings

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, :

(ix) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

(x) Title Deeds Of Immovable Properties Not Held In Name Of The Company

Title deeds of immovable properties (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.

(xi) Disclosure on Loans and Advances

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 promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

(xii) Ratios

Particulars	As at March 31, 2022	As at March 31, 2021
Capital to risk-weighted assets ratio (CRAR)	23.85%	25.40%
Tier I CRAR	16.02%	17.51%
Tier II CRAR	7.83%	7.89%
Liquidity Coverage Ratio for the quarter ended March 31	116.59%	102.76%

IIFL FINANCE LIMITED

CHHAJED & DOSHI MUMBAI 400 063. CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Note 42. List of Related Parties

Nature of relationship	Name of party *
Direct subsidiaries	IIFL Home Finance Limited
	IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)
Other related parties	IIFL Securities Limited
	IIFL Management Services Limited
	IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited)
	IIFL Wealth Management Limited
	IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)
	India Infoline Foundation
	India Infoline Employee Trust
	IIFL Asset Management Limited
	IIFL Wealth Finance Limited
	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)
	IIHFL Sales Limited (w.e.f September 28, 2021)
	5paisa Capital Limited
	5paisa P2P Limited
Key managerial personnel	Mr.Nirmal Jain
	Mr.R. Venkataraman
	Mr.Rajesh Rajak
	Mr. Sumit Bali (upto June 30, 2020)
Relatives of Key managerial personnel	Mr. Shankar Subramanian (Brother of Independent Director Mr. Ramakrishnan Subramanian) (w.e.f September 06, 2021)

* The above list includes related parties with whom transactions have been carried out during the year.

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

Note 42.1 Significant transactions with related parties

(₹ in millions)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Interest income				
IIFL Securities Limited	-	47.55	-	47.55
	-	(1.30)	-	(1.30)
IIFL Home Finance Limited	201.61	-	-	201.61
	(28.38)	-	-	(28.38)
IIFL Facilities Services Limited	-	20.40	-	20.40
	-	(71.05)	-	(71.05)
IIFL Management Services Limited	-	0.13	-	0.13
	-	-	-	-
5paisa Capital Limited	-	50.73	-	50.73
	-	(118.20)	-	(118.20)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	74.51	-	-	74.51
	(67.70)	-	-	(67.70)
Mr. Shankar Subramanian	-	-	0.22	0.22
	-	-	-	-
Interest expense				
IIFL Facilities Services Limited	-	89.42	-	89.42
	-	(84.47)	-	(84.47)
IIFL Home Finance Limited	-	-	-	-
	(333.59)	-	-	(333.59)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	-	-	-
	(43.65)	-	-	(43.65)
IIFL Management Services Limited	-	5.37	-	5.37
	-	-	-	-
IIFL Securities Limited	-	4.82	-	4.82
	-	(4.45)	-	(4.45)
Referral fees income				
IIFL Home Finance Limited	0.43	-	-	0.43
	(1.27)	-	-	(1.27)
Trademark License Fee				
IIFL Securities Limited	-	-	-	-
	-	(0.10)	-	(0.10)
Donation paid				
India Infoline Foundation	-	82.00	-	82.00
	-	(47.10)	-	(47.10)
Arranger/ processing fees /brokerage on non convertible debenture/merchant banking fees/other charges				
IIFL Securities Limited	-	225.68	-	225.68
	-	-	-	-
5paisa Capital Limited	-	-	-	-
	-	(0.68)	-	(0.68)
IIFL Wealth Management Limited	-	35.55	-	35.55
	-	(121.34)	-	(121.34)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	72.13	-	-	72.13
	-	-	-	-
IIFL Home Finance Limited	15.59			15.59
	(6.47)			(6.47)
Mr. Shankar Subramanian	-	-	0.01	0.01
	-	-	-	-

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Note 42.1 Significant transactions with related parties				
Rent expenses				
IIFL Facilities Services Limited	-	19.24	-	19.24
	-	(17.50)	-	(17.50)
Commission/ brokerage expense				
IIFL Securities Limited	-	0.88	-	0.88
	-	(0.19)	-	(0.19)
Remuneration paid				
Mr.Nirmal Jain	-	-	86.72	86.72
	-	-	(80.01)	(80.01)
Mr.Sumit Bali	-	-	-	-
	-	-	(5.41)	(5.41)
Equity dividend received				
IIFL Home Finance Limited	629.05	-	-	629.05
	(524.20)	-	-	(524.20)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	-	-	-
	(118.84)	-	-	(118.84)
Equity dividend paid				
India Infoline Employee Trust Limited	-	0.26	-	0.26
	-	(0.23)	-	(0.23)
ICD/loan taken**				
IIFL Home Finance Limited	4,210.00	-	-	4,210.00
	(82,387.10)	-	-	(82,387.10)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	-	-	-
	(3,450.00)	-	-	(3,450.00)
IIFL Securities Limited	-	2,000.00	-	2,000.00
	-	(22,080.00)	-	(22,080.00)
IIFL Facilities Services Limited	-	42,505.96	-	42,505.96
	-	(51,061.50)	-	(51,061.50)
ICD/loan returned**				
IIFL Home Finance Limited	4,210.00	-	-	4,210.00
	(82,387.10)	-	-	(82,387.10)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	-	-	-
	(3,950.00)	-	-	(3,950.00)
IIFL Securities Limited	-	2,000.00	-	2,000.00
	-	(22,080.00)	-	(22,080.00)
IIFL Facilities Services Limited	-	42,505.96	-	42,505.96
	-	(51,061.50)	-	(51,061.50)
ICD/loan given**				
IIFL Securities Limited	-	17,390.00	-	17,390.00
	-	(4,040.00)	-	(4,040.00)
IIFL Management Services Limited	-	500.00	-	500.00
	-	-	-	-
IIFL Facilities Services Limited	-	26,635.00	-	26,635.00
	-	(18,963.50)	-	(18,963.50)
IIFL Home Finance Limited	32,844.00	-	-	32,844.00
	(11,950.00)	-	-	(11,950.00)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	5,500.00	-	-	5,500.00
	(9,480.00)	-	-	(9,480.00)
5paisa Capital Limited	-	6,000.00	-	6,000.00
	-	(28,130.00)	-	(28,130.00)

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI

CHHAJED & DOSHI CHARTERED ACCOUNTANTS MUMBAI 400 069.

IIFL FINANCE LIMITED

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Note 42.1 Significant transactions with related parties				
ICD/loan received back**				
IIFL Securities Limited	-	17,390.00	-	17,390.00
	-	(4,040.00)	-	(4,040.00)
IIFL Facilities Services Limited	-	26,635.00	-	26,635.00
	-	(20,722.00)	-	(20,722.00)
IIFL Management Services Limited	-	500.00	-	500.00
	-	-	-	-
IIFL Home Finance Limited	32,844.00	-	-	32,844.00
	(11,950.00)	-	-	(11,950.00)
5paisa Capital Limited	-	6,000.00	-	6,000.00
	-	(29,130.00)	-	(29,130.00)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	5,500.00	-	-	5,500.00
	(9,480.00)	-	-	(9,480.00)
Investment in subsidiaries				
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	2,250.00	-	-	2,250.00
	(675.00)	-	-	(675.00)
Sale of investment				
IIFL Home Finance Limited	1,440.00	-	-	1,440.00
	(1,821.23)	-	-	(1,821.23)
IIFL Wealth Finance Limited	-	-	-	-
	-	(2,011.10)	-	(2,011.10)
Allocation / reimbursement of expenses paid				
IIFL Securities Limited	-	92.41	-	92.41
	-	(79.82)	-	(79.82)
5paisa Capital Limited	-	0.42	-	0.42
	-	-	-	-
IIFL Wealth Management Limited	-	-	-	-
	-	(4.15)	-	(4.15)
IIFL Home Finance Limited	9.10	-	-	9.10
	(5.55)	-	-	(5.55)
IIFL Management Services Limited	-	1.76	-	1.76
	-	(3.95)	-	(3.95)
IIFL Facilities Services Limited	-	14.77	-	14.77
	-	(11.65)	-	(11.65)
Allocation / reimbursement of expenses paid others				
IIFL Securities Limited	-	19.68	-	19.68
	-	(10.06)	-	(10.06)
IIFL Wealth Management Limited	-	0.00	-	0.00
	-	(0.06)	-	(0.06)
5paisa P2P Limited	-	0.01	-	0.01
	-	(0.03)	-	(0.03)
IIFL Facilities Services Limited	-	2.00	-	2.00
	-	(3.16)	-	(3.16)
IIFL Home Finance Limited	2.62	-	-	2.62
	(13.12)	-	-	(13.12)
5paisa Capital Limited	-	3.09	-	3.09
	-	(2.92)	-	(2.92)
IIFL Management Services Limited	-	0.33	-	0.33
	-	(0.42)	-	(0.42)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	6.57	-	-	6.57
	-	-	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.19	-	0.19
	-	-	-	-

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Note 42.1 Significant transactions with related parties				
IIHFL Sales Limited	-	0.01	-	0.01
	-	-	-	-
IIFL Insurance Brokers Limited	-	0.02	-	0.02
	-	(0.51)	-	(0.51)
Allocation / reimbursement of expenses received				
IIFL Facilities Services Limited	-	0.87	-	0.87
	-	(3.96)	-	(3.96)
IIFL Management Services Limited	-	0.26	-	0.26
	-	(0.29)	-	(0.29)
IIFL Securities Limited	-	27.47	-	27.47
	-	(28.25)	-	(28.25)
IIFL Home Finance Limited	47.59	-	-	47.59
	(30.15)	-	-	(30.15)
5paisa Capital Limited	-	8.71	-	8.71
	-	(4.43)	-	(4.43)
IIFL Wealth Management Limited	-	-	-	-
	-	(0.18)	-	(0.18)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.09	-	0.09
	-	-	-	-
IIHFL Sales Limited	-	2.06	-	2.06
	-	-	-	-
Allocation / reimbursement of expenses received others				
5paisa Capital Limited	-	0.97	-	0.97
	-	(0.89)	-	(0.89)
5paisa P2P Limited	-	-	-	-
	-	(0.08)	-	(0.08)
IIFL Securities Limited	-	7.27	-	7.27
	-	(6.15)	-	(6.15)
IIFL Home Finance Limited	17.15	-	-	17.15
	(32.35)	-	-	(32.35)
IIFL Management Services Limited	-	0.00	-	0.00
	-	(0.94)	-	(0.94)
IIFL Facilities Services Limited	-	1.01	-	1.01
	-	(1.28)	-	(1.28)
IIFL Insurance Brokers Limited	-	0.50	-	0.50
	-	(0.22)	-	(0.22)
IIFL Asset Management Limited	-	-	-	-
	-	(0.59)	-	(0.59)
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.26	-	0.26
	-	-	-	-
IIHFL Sales Limited	-	0.01	-	0.01
	-	-	-	-
Security deposit paid towards rent				
IIFL Facilities Services Limited	-	0.43	-	0.43
	-	-	-	-
Assignment/Secu transactions paid on behalf				
IIFL Home Finance Limited	901.44	-	-	901.44
	(902.18)	-	-	(902.18)
Non convertible debenture issued				
IIFL Facilities Services Limited	-	-	-	-
	-	(1,000.00)	-	(1,000.00)
IIFL Securities Limited	-	500.00	-	500.00
	-	(751.80)	-	(751.80)
Note 42.1 Significant transactions with related parties				

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Non convertible debenture redeemed/bought back				
IIFL Management Services Limited	-	108.11	-	108.11
	-	-	-	-
IIFL Wealth Finance Limited	-	-	-	-
	-	(813.46)	-	(813.46)
IIFL Facilities Services Limited	-	-	-	-
	-	(222.11)	-	(222.11)
Repayment towards Borrowing				
IIFL Management Services Limited	-	52.70	-	52.70
	-	-	-	-
IIFL Securities Limited	-	40.90	-	40.90
	-	-	-	-

Note 42.2 Closing balances with related parties

(₹ in millions)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial	Total
	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Other payable				
5paisa Capital Limited	-	1.69	-	1.69
	-	(2.08)	-	(2.08)
5paisa P2P Limited	-	-	-	-
	-	(0.01)	-	(0.01)
IIFL Insurance Brokers Limited	-	-	-	-
	-	(0.30)	-	(0.30)
IIFL Securities Limited	-	12.60	-	12.60
	-	(2.74)	-	(2.74)
IIFL Facilities Services Limited	-	0.58	-	0.58
	-	-	-	-
IIFL Wealth Management Limited	-	38.44	-	38.44
	-	(1.74)	-	(1.74)
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	25.03	-	-	25.03
	-	-	-	-
Other receivable				
IIFL Insurance Brokers Limited	-	0.24	-	0.24
	-	-	-	-
IIFL Management Services Limited	-	0.01	-	0.01
	-	-	-	-
Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	-	0.41	-	0.41
	-	-	-	-
IIHFL Sales Limited	-	1.08	-	1.08
	-	-	-	-
IIFL Facilities Services Limited	-	-	-	-
	-	(1.95)	-	(1.95)
IIFL Home Finance Limited	1.32	-	-	1.32
	(7.93)	-	-	(7.93)
Security deposit receivable				
IIFL Facilities Services Limited	-	9.18	-	9.18
	-	(8.75)	-	(8.75)

Nature of transaction	Direct subsidiaries	Other related parties	Key managerial personnel and their relatives	Total
Note 42.2 Closing balances with related parties				
Corporate guarantee given				
IIFL Home Finance Limited	8,454.96	-	-	8,454.96
	(12,255.43)	-	-	(12,255.43)
Outstanding non convertible debenture issued				
IIFL Management Services Limited	-	-	-	-
	-	(22.22)	-	(22.22)
IIFL Securities Limited	-	443.00	-	443.00
	-	(40.90)	-	(40.90)
IIFL Facilities Services Limited	-	0.01	-	0.01
	-	-	-	-
Interest accrued on non convertible debenture issued				
IIFL Management Services Limited	-	-	-	-
	-	(3.46)	-	(3.46)
IIFL Securities Limited	-	19.67	-	19.67
	-	(1.91)	-	(1.91)
IIFL Facilities Services Limited	-	0.00	-	0.00
	-	-	-	-
Loan receivable				
Mr. Shankar Subramanian	-	-	2.02	2.02
	-	-	-	-
Gratuity payable *				
Mr. Nirmal Jain	-	-	1.47	1.47
	-	-	(1.43)	(1.43)
Leave encashment payable *				
Mr. Nirmal Jain	-	-	6.44	6.44
	-	-	(4.59)	(4.59)

* Based on actuarial valuation report

**ICD Transactions are including Intraday

Wherever amount is less than ₹ 0.01 million,shown as ₹ 0.00

(Figure in bracket represents previous year figure)

Note 43. Corporate Social Responsibility:

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
(a) Amount required to be spent	82.00	47.10
(b) Amount of expenditure incurred	57.40	47.10
(c) Shortfall at the end of the year	24.60	-
(d) Total of previous years shortfall	-	-
(e) Nature of CSR activities	Promoting Education and Healthcare, eradicating poverty	

Reason for shortfall: The Company during the year had contributed towards the ongoing projects to IIFL Foundation Limited and which remained unspent as on March 31, 2022 resulting in shortfall.The unspent amount has been transferred to a separate Bank account and will be spent during the FY 2022-23.

The Company contributes its CSR requirement to IIFL Foundation Limited, a group Company.

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

Note 44.1 Maturity Analysis Of Assets And Liabilities As At March 31, 2022

(₹ in millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	43,569.37	-	43,569.37
(b)	Bank balance other than (a) above	10,016.04	2,502.62	12,518.66
(c)	Derivative financial instruments	-	644.13	644.13
(d)	Receivables			
	(i) Trade receivables	1,405.24	0.19	1,405.43
	(ii) Other receivables	158.00	-	158.00
(e)	Loans	79,067.93	49,772.53	128,840.46
(f)	Investments	0.04	24,488.50	24,488.54
(g)	Other financial assets	1,521.01	3,664.74	5,185.75
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	2,270.23	2,270.23
(b)	Deferred tax assets (net)	-	1,584.97	1,584.97
(c)	Investment property	-	2,885.13	2,885.13
(d)	Property, plant and equipment	-	1,348.24	1,348.24
(e)	Capital work-in-progress	51.40	5.04	56.44
(f)	Right of-use assets	-	2,972.54	2,972.54
(g)	Other intangible assets	-	19.16	19.16
(h)	Other non-financial assets	850.06	2,487.09	3,337.15
(i)	Assets held for sale	78.44	-	78.44
	Total Assets	**136,717.52**	**94,645.12**	**231,362.64**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	62.26	1,432.36	1,494.62
(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	851.42	10.25	861.67
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	99.06	-	99.06
(c)	Finance lease obligation	680.49	2,595.75	3,276.24
(d)	Debt securities	7,743.53	43,309.30	51,052.83
(e)	Borrowings (other than debt securities)	29,754.17	67,956.51	97,710.68
(f)	Subordinated liabilities	802.68	12,893.72	13,696.40
(g)	Other financial liabilities	17,584.73	260.19	17,844.92
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	184.41	-	184.41
(b)	Provisions	342.83	71.01	413.84
(c)	Other non-financial liabilities	458.95	-	458.95
[3]	**Equity**			
(a)	Equity share capital	-	759.20	759.20
(b)	Other equity	-	43,509.82	43,509.82
	Total Liabilities and Equity	**58,564.53**	**172,798.11**	**231,362.64**

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Note 44.2 Maturity Analysis Of Assets And Liabilities As At March 31, 2021

(₹ in millions)

Sr. No	Particulars	Within 12 months	After 12 months	Total
	Assets			
[1]	**Financial assets**			
(a)	Cash and cash equivalents	20,518.72	-	20,518.72
(b)	Bank balance other than (a) above	13,749.36	1,656.91	15,406.27
(c)	Derivative financial instruments	-	416.88	416.88
(d)	Receivables			
	(i) Trade receivables	1,593.73	-	1,593.73
	(ii) Other receivables	5.10	-	5.10
(e)	Loans	110,268.74	45,674.25	155,942.99
(f)	Investments	-	12,042.57	12,042.57
(g)	Other financial assets	1,458.46	621.21	2,079.67
[2]	**Non-financial assets**			
(a)	Current tax assets (net)	-	2,468.67	2,468.67
(b)	Deferred tax assets (net)	-	2,063.60	2,063.60
(c)	Investment property	-	2,640.02	2,640.02
(d)	Property, plant and equipment	-	955.44	955.44
(e)	Capital work-in-progress	-	65.60	65.60
(f)	Right of-use assets		2,793.94	2,793.94
(g)	Other intangible assets	-	9.15	9.15
(h)	Other non-financial assets	420.98	2,683.92	3,104.90
	Total Assets	**148,015.09**	**74,092.16**	**222,107.25**
	Liabilities and Equity			
	Liabilities			
[1]	**Financial liabilities**			
(a)	Derivative financial instruments	212.88	973.81	1,186.69
(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	664.22	-	664.22
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Finance lease obligation	480.76	2,573.46	3,054.22
(d)	Debt securities	15,318.20	38,128.53	53,446.73
(e)	Borrowings (other than debt securities)	47,442.26	44,737.57	92,179.83
(f)	Subordinated liabilities	4,693.89	12,680.09	17,373.98
(g)	Other financial liabilities	14,805.62	49.11	14,854.73
[2]	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	185.44	-	185.44
(b)	Provisions	253.20	62.43	315.63
(c)	Other non-financial liabilities	638.46	-	638.46
[3]	**Equity**			
(a)	Equity share capital	-	757.68	757.68
(b)	Other equity	-	37,449.64	37,449.64
	Total Liabilities and Equity	**84,694.93**	**137,412.32**	**222,107.25**

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45. Disclosure as required under Annex XII- RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 as may be amended from time to time:

(i) Capital Adequacy Ratio (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR (%)	23.85%	25.40%
CRAR - Tier I Capital (%)	16.02%	17.51%
CRAR - Tier II Capital (%)	7.83%	7.89%
Amount of subordinate debt raised as Tier- II capital *	13,267.81	13,117.81
Amount raised by issue of perpetual debt instruments.	-	-

*Gross of Unamortised Debenture Issue Expenses of ₹220.39 Millions (PY ₹ 295.05 Millions)

(ii) Disclosure of Investments (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
Gross value of Investments*	**28,109.45**	**12,066.59**
(a) In India	28,109.45	12,066.59
(b) Outside India	-	-
Provision for depreciation/diminution	**3,620.91**	**24.02**
(a) In India	3,620.91	24.02
(b) Outside India	-	-
Net value of investments	**24,488.54**	**12,042.57**
(a) In India	24,488.54	12,042.57
(b) Outside India	-	-
Movement of provisions held towards depreciation on Investments		
Opening Balance	24.02	290.78
Add: Provision made during the year	3,620.91	-
Less : Write -off / write-back of excess provisions during the year	(24.02)	(266.76)
Closing balance	**3,620.91**	**24.02**

* Includes Mark to Market Gain of ₹ 685.67 million (P.Y ₹ 82.75 million)

(iii) Derivatives:

(a) Forward Rate Agreement / Interest Rate Swap (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
The notional principal of Forward/swap agreements	43,898.78	46,351.29
Losses which would be incurred if counterparties failed to fulfill their obligation under the agreements.	-	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of swap book	(850.49)	(769.81)

(b) Exchange traded Interest Rate "IR" derivatives (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Notional principal amount of exchange traded IR derivatives undertaken		
- Forward Rate agreements	-	-
Total	-	-
Notional principal amount of exchange traded IR derivatives outstanding		
- Forward Rate agreements	-	-
Total	-	-
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
Mark to market value of exchange traded IR derivative outstanding and not highly effective	-	-

(c) Disclosures on Risk Exposure in Derivatives:

(I) Qualitative disclosure:

a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Asset Liability Management Committee (ALCO) and the Risk Management Committee (RMC) are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved policies including limits. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also reviews stress testing.

The monitoring and measurement of risk in derivatives is carried out by the Risk Department. The Risk Department is independent of the Treasury Front office, back office and directly reports into the Chief Risk Officer.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored and measured daily. The Risk Department measures and reports Market Risk metrics like VaR, PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho, etc. The Credit Risk from the derivatives portfolio is also measured daily.

The Risk Department monitors these exposures against the set limits and also reviews profitability on a daily basis. MIS is sent to relevant teams on a periodic basis. Exception reports are also sent so that emerging risks are reviewed and managed on a timely basis. Stress testing is also performed on the Derivative portfolio.

c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index/Stock Futures/Currency Futures/Interest Rate Futures and/or Equity Index/Stock Options/ Currency Options as the case may be ("Derivatives Portfolio") which are released on final settlement/squaring-up of underlying contracts are disclosed under the head "Other Current Assets".

"Equity Index/Stock Option/Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively which is amortised over the period of contract.

On final settlement or squaring up of contracts for Derivatives Portfolio, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Derivatives Portfolio before expiry, the premium, prevailing in "Equity Index/Stock Option/Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market/Unrealised Profit/(Loss) on all outstanding Derivative portfolio comprising of Securities and Equity/Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Other Comprehensive Income.

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(II) Quantitative Disclosure

(₹ in millions)

Particulars	FY 2021-22		FY 2020-21	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principle Amount):				
- For hedging *	36,943.78	6,955.00	39,396.29	6,955.00
Marked to market positions:				
a) Asset	458.53	185.60	416.88	-
b) Liability	1,494.62	-	973.81	212.88
Credit Exposure	-	-	-	-
Unhedged Exposures	-	-	-	-

* The Company has opted for hedge accounting under IND AS 109 as stated under the significiant accounting policies.

(iv) Disclosures pertaining to securitisation transactions

The Company sells loans through securitisation and direct assignment.

(A) The information on securitisation done by the Company as an originator is given below:

(₹ in millions)

Particulars	March 31, 2022	March 31, 2021
Total number of loan assets under par structure	299,960	572,218
Total book value of loan assets	16,820.00	31,650.00
Sale consideration received	16,820.00	31,650.00

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in millions)

Particulars	March 31, 2022	March 31, 2021
No. of SPVs sponsored by the company for securitisation transactions	12	20
Total amount of securitised assets as per the books of SPVs sponsored by the company	19,892.33	33,031.37
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	-	-
Other amount of Securtised assets as per the books of SPV sponsored by the company	-	6,106.80
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	602.90
b) On - Balance Sheet Exposures		
First Loss	2,267.29	3,096.84
Investment in PTC	-	-
Overcollateralization	2,364.98	2,312.07
Amount of exposures to securitisation transaction other than MRR	20.67	26.94
a) Off - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	-	-
Others	-	-
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	-	-
Others	-	-
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-

(B) The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

(₹ in millions)

Particulars	March 31, 2022	March 31, 2021
Total number of loan assets under par structure	1,187,478	1,083,460
Total book value of loan assets	87,066.31	60,807.91
Sale consideration received	87,066.31	60,807.91

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The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in millions)

Particulars	March 31, 2022	March 31, 2021
No. of transactions assigned by the Company	34	22
Total amount outstanding	79,742.37	50,241.91
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet	7,974.24	4,953.93
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Exposures to own assigned transactions	-	-
Amount of exposures to assigned transaction other than MRR	-	-
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	-	-
Others	-	-
ii) Exposures to third party assigned tranactions		
First Loss	-	-
Others	-	-

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(v) Asset liability management maturity pattern

As at March 31, 2022

(₹ in millions)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	14,242.80	14,375.09	11,912.52	21,526.17	16,784.21	34,379.40	5,516.38	1,560.85	120,297.42
Other Advances	1,066.18	1,168.32	1,523.72	3,785.64	688.33	-	-	310.86	8,543.05
Investments	-	-	-	-	197.78	833.00	9,354.42	14,103.34	24,488.54
Borrowings (Includes foreign currency borrowings)	1,942.67	5,457.51	4,755.50	6,765.25	19,379.18	93,412.26	12,587.68	18,159.85	162,459.90
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 5,953.24 million

As at March 31, 2021

(₹ in millions)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Loans & Advances*	12,449.66	14,325.64	14,105.87	30,540.17	28,442.94	34,380.50	1,905.42	1,922.57	138,072.77
Other Advances	3,829.38	2,627.41	3,287.52	660.16	-	7,020.21	-	445.56	17,870.24
Investments	-	-	-	-	-	189.24	-	11,853.33	12,042.57
Borrowings (Includes foreign currency borrowings)	4,863.02	5,987.08	5,294.83	17,200.33	34,415.23	67,214.46	16,267.88	11,757.75	163,000.58
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of ECL Provision of ₹ 8,329.72 million

Note : EIR on borrowings has been considered in the last bucket.

(vi) Exposure to Real Estate Sector

(₹ 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.	17,704.53	30,288.27
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premiset, multi-family residentail building, multi tenanted commercial premises. industrial or warehouse space, hotels, land acquisition, development and construction, etc) Exposure would also include non-fund based limits.	6,364.10	5,300.72
(iii) Investments in Mortgage back securities (MBS) and other securitised exposure-		
(a) Residential	-	-
(b) Commercial real estate	-	-
Total Direct Exposure (A)	24,068.63	35,588.99
b) Indirect Exposure (B)	29,007.37	23,224.90
Total Exposure to Real Estate Sector (A+B)	53,076.00	58,813.89

Note: Exposure includes amount outstanding including principal and interest overdue but excluding sanctioned undisbursed amounts.

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(vii) Exposure to Capital Market:

(₹ in millions)

Particulars	March 31, 2022	March 31, 2021
(i) Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.04	118.18
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and	5,294.16	2,697.00
(iii) Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary security;	68.28	1,598.32
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	-	-
(vi) Loan sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	9,552.17	71.05
Total Exposure to Capital Market	**14,914.65**	**4,484.55**

Note:
(a) Exposure includes amount outstanding including principal and interest overdue.
(b) The above excludes direct equity and debt investment in own subsidiary companies.

(viii) No penalty has been imposed during the year by RBI or other regulators.

(ix) Details of Credit Ratings:

A) Ratings assigned by Credit Rating Agencies:

(₹ in millions)

Rating Agency	Product	As at March 31, 2022 Amount	As at March 31, 2022 Rating assigned	As at March 31, 2021 Amount	As at March 31, 2021 Rating assigned
CARE Ratings Limited	Non Convertible Debenture	8,250	CARE AA; Stable [Double A; Outlook: Stable]	8,250	CARE AA; Negative (Double A; Outlook: Negative)
CARE Ratings Limited	Long Term Bank Facilities	4,000	CARE AA; Stable [Double A; Outlook: Stable]	4,000	CARE AA; Negative (Double A; Outlook: Negative)
CARE Ratings Limited	Subordinate Debt	1,000	CARE AA; Stable [Double A; Outlook: Stable]	1,000	CARE AA; Negative (Double A; Outlook: Negative)
ICRA Limited	Non Convertible Debentures Programme	58,663	[ICRA]AA ;Stable	49,093	[ICRA]AA(Negative) reaffirmed
ICRA Limited	Commercial Paper programme	80,000	[ICRA]A1+; reaffirmed	80,000	[ICRA]A1+; reaffirmed
ICRA Limited	Subordinate Debt Programme	7,450	[ICRA]AA ;Stable	7,450	[ICRA]AA(Negative) reaffirmed
ICRA Limited	Long Term Bank Lines	57,750	[ICRA]AA ;Stable	57,750	[ICRA]AA(Negative) reaffirmed
ICRA Limited	Long Term Principle Protected Equity Linked Debenture Programme	5,000	PP-MLD[ICRA]AA ; Stable	5,000	PP-MLD[ICRA]AA (Negative) reaffirmed

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Rating Agency	Product	As at March 31, 2022		As at March 31, 2021	
		Amount	Rating assigned	Amount	Rating assigned
ICRA Limited	Long Term Principle Protected Market Linked Debenture Programme	3,640	PP-MLD[ICRA]AA ; Stable	3,640	PP-MLD[ICRA]AA (Negative) reaffirmed
ICRA Limited	Commercial Paper programme (IPO financing)	80,000	[ICRA]A1+; reaffirmed	80,000	[ICRA]A1+; reaffirmed
ICRA Limited	Non convertible debenture programme	-	-	42,490	[ICRA]AA (Negative); reaffirmed
CRISIL Limited	Non Convertible Debentures *	50,000	CRISIL AA/Stable (Reaffirmed)	50,000	CRISIL AA/Stable (Reaffirmed)
CRISIL Limited	Subordinate Debt	3,484	CRISIL AA/Stable (Reaffirmed)	3,484	CRISIL AA/Stable (Reaffirmed)
CRISIL Limited	Long Term Principal Protected Market Linked Debentures	15,000	CRISIL PP-MLD AAr/Stable (Reaffirmed)	15,000	CRISIL PP-MLD AAr/Stable (Reaffirmed)
CRISIL Limited	Commercial Paper programme (IPO financing)	80,000	CRISIL A1+ (Reaffirmed)	80,000	CRISIL A1+ (Reaffirmed)
CRISIL Limited	Commercial Paper	85,000	CRISIL A1+ (Reaffirmed)	85,000	CRISIL A1+ (Reaffirmed)
CRISIL Limited	Total Bank Loan Facilities Rated (Long Term Rating)	20,000	CRISIL AA/Stable (Reaffirmed)	20,000	CRISIL AA/Stable (Reaffirmed)
CRISIL Limited	Non Convertible Debentures	28,250	CRISIL AA/Stable	28,250	CRISIL AA/Stable
CRISIL Limited	Non Convertible Debentures *	24,020	CRISIL AA/Stable	24,020	CRISIL AA/Stable
Brickwork Ratings	NCDs (Public Issue)*	15,138	BWR AA+ Negative Reaffirmed	50,000	BWR AA+ Negative Reaffirmed with outlook Negative
Brickwork Ratings	Non Convertible Debentures	8,423	BWR AA+ Negative Reaffirmed	13,050	BWR AA+ Negative Reaffirmed with outlook Negative
Brickwork Ratings	Secured Non Covertible Debentures	50	BWR AA+ Negative Reaffirmed	500	BWR AA+ Negative Reaffirmed with outlook Negative
Brickwork Ratings	Unsecured Subordinated Non Covertible Debentures	-	-	350	BWR AA+ Negative Reaffirmed with outlook Negative
Moody's	Corporate family rating (CFR)	-	-	NA	B2 / Stable
Moody's	Long-term foreign- and local-currency senior secured ratings to USD 1 billion Medium Term Note (MTN) program	USD 1000	B2 / Stable	USD 1000	B2 / Stable
Fitch	Senior secured notes issued under USD 1 billion Medium Term Note (MTN) Programme	USD 1000	B+ / Affirmed	USD 1000	B+ / Stable
Fitch	Senior secured notes issued under USD 400 million bond	-	-	USD 400	B+ / Stable
Fitch	Long-Term Issuer Default Rating (IDR)	-	B+	-	-

*Interchangeable between secured and subordinated debt.

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8) Details of migration of credit ratings during the year:

Rating Agency	Product	Rating assigned	Migration in ratings during the year
CARE Ratings Limited	Non Convertible Debenture^	CARE AA; Stable (Double A; Outlook: Stable)	Change in outlook from CARE AA (Negative) to CARE AA (Stable)
CARE Ratings Limited	Long Term Bank Facilities^	CARE AA; Stable (Double A; Outlook: Stable)	Change in outlook from CARE AA (Negative) to CARE AA (Stable)
CARE Ratings Limited	Subordinate Debt^	CARE AA; Stable (Double A; Outlook: Stable)	Change in outlook from CARE AA (Negative) to CARE AA (Stable)
ICRA	Non-convertible Debenture Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Non-convertible Debenture Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Subordinated Debt Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Long-term Bank Lines	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Non-convertible Debenture Programme	[ICRA]AA ;Stable	Change in outlook from ICRA AA (Negative) to ICRA AA (Stable)
ICRA	Long-term Principal Protected Equity Linked Debenture Programme	PP-MLD[ICRA]AA ; Stable	Change in outlook from PP-MLD[ICRA]AA (Negative) to PP-MLD[ICRA]AA (Stable)
ICRA	Long-term Principal protected Market Linked Debenture Programme	PP-MLD[ICRA]AA ; Stable	Change in outlook from PP-MLD[ICRA]AA (Negative) to PP-MLD[ICRA]AA (Stable)

(x) No registration has been obtained from other financial regulators.

(xi) Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2022 & March 31, 2021 following are having Nil disclosure:

a. Draw down from reserves.
b. Overseas assets (for those with joint ventures and subsidiaries abroad).
c. Off- Balance Sheet SPVs sponsored.
d. Financing of parent company products.
e. Postponement of revenue recognition.

(xii) The Company during the year ended has not exceeded single borrower limit (SGL)/ group borrower limit (GBL) while performing its lending operations.

(xiii) Remuneration paid to Non Executive Directors:

(₹ in millions)

Name of the Director	FY 2021-22	FY 2020-21
Mr. Arun Kumar Purwar	2.17	0.88
Mrs. Geeta Mathur	2.38	1.41
Mr. Nilesh Vikamsey	2.44	1.56
Mr. Ramakrishnan Subramanian *(w.e.f September 06, 2021)*	0.69	-
Mr. Vibhore Sharma *(w.e.f July 01, 2021)*	1.04	-
Mr. Vijay Kumar Chopra	2.50	1.51
Total	**11.22**	**5.36**

(xiv) Details of Provisions and Contingencies

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
Provision for depreciation on investment	3,596.88	(266.76)
Provision towards non performing advances	(485.59)	(886.06)
Other Provision and Contingencies:		
Bad debts written off/(back)	7,238.32	5,686.45
Provision for Contingencies/Other financial assets	(83.24)	289.58
Provision for Standard Assets	(1,674.02)	2,577.17
Total	**8,592.36**	**7,400.37**
Provision made towards Income Tax	2,216.91	849.18

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(xv). Details Of Concentration Of Advances, Exposures & NPA:

a) Concentration of Advances

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers	23,602.93	28,318.14
Outstanding Advances	126,250.66	146,402.49
Percentage of advances to twenty largest borrowers to total advances	18.70%	19.34%

b) Concentration of Exposures

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	34,474.96	33,768.54
Percentage of exposure to twenty largest borrowers / customers to total exposure	24.40%	21.61%

c) Concentration of NPAs

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top four NPA accounts	1,240.09	537.64

d) Details Of Sectorwise NPA:

Particulars	% of NPAs to total advances in that sector	
	As at March 31, 2022	As at March 31, 2021
Agriculture & allied activities	0.00%	0.00%
MSME	10.33%	11.09%
Corporate borrowers	4.57%	1.23%
Services	0.00%	0.00%
Unsecured personal loans	5.88%	6.97%
Auto Loans	0.00%	0.00%
Other loans*	0.90%	1.19%

* Other loans include all loans that cannot be classified under any of the other sectors.

(xvi). Movement of NPAs:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net NPAs to Net Advances (%)	1.63%	0.98%
(ii) Movement of NPAs (Gross)		
(a) Opening balance*	4,080.43	5,448.72
(b) Addition during the year	2,740.24	2,813.84
(c) Reduction during the year	(2,758.61)	(4,182.13)
(d) Closing balance*	4,062.06	4,080.43

* Includes Interest of ₹ 397.59 millions (P.Y ₹ 560.88 millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(iii) Movement of Net NPAs		
(a) Opening balance	1,432.46	1,157.31
(b) Addition during the year	1,605.12	1,092.40
(c) Reduction during the year	(974.60)	(817.25)
(d) Closing balance	2,062.98	1,432.46
(iv) Movement of provision for NPAs (excluding provision on standard assets)		
(a) Opening balance**	2,647.97	4,291.41
(b) Addition during the year	1,135.11	1,721.43
(c) Reduction during the year	(1,784.00)	(3,364.87)
(d) Closing balance**	1,999.08	2,647.97

** Includes Interest of ₹ 397.59 millions (P.Y ₹ 560.88 millions)

Note: The above has been computed basis EAD for credit impaired advances.

(xvii). Disclosure of Complaints:

(₹ in millions)

Particulars	FY 2021-22	FY 2020-21
i. Number of complaints pending at the beginning of year	11	5
ii. Number of complaints received during the year	3,370	1,007
iii. Number of complaints redressed during the year	3,369	1,001
iv. Number of complaints pending at the end of the year	12	11

Note: It excludes any customer complaints received and redressed by Fintech Partners of the Company

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(xviii) Disclosure of restructured accounts:

Details for FY 2021-22

(₹ in millions)

Sr. No.	Type of Restructuring / Asset Classification		Under CDR Mechanism / SME Debt Restructuring: Standard	Sub-Standard	Doubtful	Loss	Total	Others: Standard	Sub-Standard	Doubtful	Loss	Total	Total
1	Restructured Accounts as on April 1 of the FY 2021 (opening figures)*	No. of borrowers	-	-	-	-	-	4,062	12	23	708	4,805	4,805
		Amount outstanding	-	-	-	-	-	2,323.19	5.49	177.38	266.05	2,772.11	2,772.12
		Provision thereon	-	-	-	-	-	213.96	4.34	87.96	225.04	531.31	531.31
2	Fresh restructuring during the year 2021-2022	No. of borrowers	-	-	-	-	-	867	105	-	115	1,087	1,087
		Amount outstanding	-	-	-	-	-	472.05	852.13	-	51.01	1,375.19	1,375.19
		Provision thereon	-	-	-	-	-	74.61	384.38	-	41.57	500.56	500.56
3	Upgradations to restructured standard category during the FY 2021-2022[1]	No. of borrowers	-	-	-	-	-	60	8	(2)	(66)	-	-
		Amount outstanding	-	-	-	-	-	35.84	4.21	(3.36)	(31.86)	4.83	4.83
		Provision thereon	-	-	-	-	-	6.21	1.63	(1.63)	(26.51)	(20.30)	(20.30)
4	Increase / Decrease in existing restructured accounts	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	136.16	-	(0.00)	0.27	136.43	136.43
		Provision thereon	-	-	-	-	-	156.41	-	0.10	(2.29)	154.22	154.22
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2021 and hence need not be shown as restructured standard advances at the beginning of the next FY 2022	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2021-2022[1]	No. of borrowers	-	-	-	-	-	(931)	334	-	597	-	-
		Amount outstanding	-	-	-	-	-	(466.46)	233.39	-	259.11	26.04	26.04
		Provision thereon	-	-	-	-	-	(42.23)	46.35	-	206.68	210.80	210.80
7	Fully recovered / Write-offs of restructured accounts during the FY 2021-2022	No. of borrowers	-	-	-	-	-	(849)	(8)	(15)	(374)	(1,246)	(1,246)
		Amount outstanding	-	-	-	-	-	(466.17)	(4.02)	(169.89)	(172.48)	(812.56)	(812.56)
		Provision thereon	-	-	-	-	-	(60.09)	(3.11)	(84.33)	(147.36)	(294.89)	(294.89)
8	Restructured Accounts as on March 31 of the FY 2022(closing figures*)	No. of borrowers	-	-	-	-	-	3,209	451	6	980	4,646	4,646
		Amount outstanding	-	-	-	-	-	2,034.60	1,091.20	4.13	372.09	3,502.02	3,502.02
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	348.86	433.60	2.11	297.13	1,081.70	1,081.70

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]PD & LGD rate of last year has been considered for calculation

[2]For accounts which have transitioned from one asset category to another, Mar'21 provision has been considered for previous asset category and Mar'22 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

No. of Accounts Restructured	Amount (₹ in millions)
3209	2034.59

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Details for FY 2020-21

(₹ in millions)

Sr. No.	Type of Restructuring		Under CDR Mechanism / SME Debt Restructuring Mechanism					Others					Total
	Asset Classification		Standard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY 2020 (opening figures)*	No. of borrowers	-	-	-	-	-	470	97	20	828	1,415	1,415
		Amount outstanding	-	-	-	-	-	219.66	73.30	149.98	352.85	795.80	795.80
		Provision thereon	-	-	-	-		16.89	50.33	74.91	298.05	440.18	440.18
2	Fresh restructuring during the year 2020-2021	No. of borrowers	-	-	-	-	-	3,953	6	-	234	4,193	4,193
		Amount outstanding	-	-	-	-	-	2,259.75	3.20	-	132.35	2,395.30	2,395.30
		Provision thereon	-	-	-	-	-	207.73	2.41	-	111.81	321.96	321.96
3	Upgradations to restructured standard category during the FY 2020-2021	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
4	Increase / Decrease in existing restructured accounts[1]	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	(5.73)	(0.33)	(1.45)	(1.87)	(9.38)	(9.38)
		Provision thereon	-	-	-	-	-	(0.46)	(0.28)	(0.71)	(1.52)	(2.97)	(2.97)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2021 and hence need not be shown as restructured standard advances at the beginning of the next FY 2022	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY 2020-2021[2]	No. of borrowers	-	-	-	-	-	(183)	(34)	8	209	-	-
		Amount outstanding	-	-	-	-	-	(67.83)	(41.12)	44.85	56.47	(7.63)	(7.63)
		Provision thereon	-	-	-	-	-	(6.33)	(23.14)	23.73	51.14	45.39	45.39
7	Fully recovered / Write-offs of restructured accounts during the FY 2020-2021	No. of borrowers	-	-	-	-	-	(178)	(57)	(5)	(563)	(803)	(803)
		Amount outstanding	-	-	-	-	-	(82.66)	(29.56)	(16.00)	(273.75)	(401.97)	(401.97)
		Provision thereon	-	-	-	-	-	(3.87)	(24.98)	(9.97)	(234.45)	(273.26)	(273.26)
8	Restructured Accounts as on March 31 of the FY 2021(closing figures)*	No. of borrowers	-	-	-	-	-	4,062	12	23	708	4,805	4,805
		Amount outstanding	-	-	-	-	-	2,323.19	5.49	177.38	266.05	2,772.11	2,772.12
		Provision thereon including provision for diminution in fair value	-	-	-	-	-	213.96	4.34	87.96	225.03	531.30	531.30

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]PD & LGD rate of last year has been considered for calculation

[2]For accounts which have transitioned from one asset category to another, Mar'20 provision has been considered for previous asset category and Mar'21 Provision has been considered for updated asset category

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019

No. of Accounts Restructured	Amount (₹ in millions)
3004	1,660.14

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STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
Notes forming part of standalone Financial Statements as at and for the year ended March 31, 2022

(xix) Asset Classification (₹ in millions)

Particulars	Outstanding Balance	Provision
Standard Assets	128,220.10 (158,217.21)	4,044.14 (5,718.16)
Sub-Standard Assets	2,852.10 (3,168.10)	1,270.39 (1,948.53)
Doubtful Assets	1,209.97 (912.32)	728.71 (699.43)
Loss Assets	- -	- -

Note:

a. ECL provisioning for Stage 1,2 & SICR of ₹ 4,044.15 millions (P.Y ₹ 5,718.16 millions) consists of interest accrued but not due and Interest overdue of ₹ 461.55 millions (P.Y ₹ 660.60 millions).

b. Asset classification is as per Reserve Bank of India guidelines and provision is as per Expected Credit Loss methodology as per IND AS which is higher than the minimum required as per prudential norms.

c. As the ECL provisions is higher than provision required under IRACP (Income Recognition, Assets Classification & Provisioning, there is no requirement to create Impairement allowance.

d. Figures in bracket represent previous year's figures.

(xx) Particulars as per RBI Directions as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid: (₹ in millions)

Particulars	March 31, 2022				March 31, 2021			
	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total	Principal Amount outstanding	Interest Accrued but not due	Amount overdue	Total
Liability side:								
a) Debentures								
Secured	24,750.96	1,094.58	-	25,845.54	23,468.81	1,097.55	-	24,566.36
Unsecured (other than falling within the meaning of public deposits)	13,047.41	648.98	-	13,696.39	16,112.47	1,261.51	-	17,373.98
(b) Deferred credits	-	-	-	-	-	-	-	-
(c) (i)Term loans from Banks	67,063.88	78.32	-	67,142.20	40,286.95	54.65	-	40,341.60
(ii)Term loans from Financial Institutions	7,538.87	53.91	-	7,592.78	7,311.00	53.91	-	7,364.91
(ii)Secured Medium Term Notes	24,450.29	757.00	-	25,207.29	28,037.95	842.42	-	28,880.37
(d) Inter-corporate loans and borrowings	-	-	-	-	-	-	-	-
(e) Commercial Paper	0.00	-	-	0.00	-	-	-	-
(f) Other Loans (Overdraft)	3,200.94	0.51	-	3,201.45	5,433.07	6.16	-	5,439.24
(g) Securitisation	19,774.25	-	-	19,774.25	39,034.07	-	-	39,034.07
Total	**159,826.60**	**2,633.30**	-	**162,459.90**	**159,684.33**	**3,316.21**	-	**163,000.54**

2. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]: (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets side (Gross Value)		
(a) Secured	114,784.74	140,384.29
(b) Unsecured	20,008.96	23,888.41
Total	**134,793.70**	**164,272.70**

Note: The above include overdue principal.

3. Break- up of leased assets and stock on hire and other assets counting towards AFC activities: (₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
(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 AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of standalone Financial Statements as at and for the year ended March 31, 2022

4. Break-up of Investments (Net of Provisions):

(₹ in millions)

Particulars	As at March 31,2022	As at March 31,2021
Current Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	0.04	-
(iv) Government Securities		
(v) Others (Certificate of Deposits)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Total (A)	0.04	-
Long Term 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 of subsidiary companies	14,103.33	11,853.33
(b) Preference of subsidiary companies	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	118.18
(iv) Government Securities	-	-
(v) Others		
(a) Security Receipts	833.00	-
(b) Alternative Investment Funds	9,552.17	71.06
Total (B)	**24,488.50**	**12,042.57**
Grand Total (A+B)	**24,488.54**	**12,042.57**

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5. Borrower Group-wise Classification of all assets financed as in (2) and (3) above:

(₹ in millions)

Category	As at March 31,2022			As at March 31,2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties	-	2.02	2.02	-	-	-
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	2.02	2.02	-	-	-
2. Other than related parties	114,784.74	20,006.94	134,791.68	140,384.30	23,888.41	164,272.71
Total	114,784.74	20,008.96	134,793.70	140,384.30	23,888.41	164,272.71

*Including ICD, Interest etc of ₹ 8,543.05 millions (P.Y ₹ 17,870.23 millions)

6. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted) :

(₹ in millions)

Category	As at March 31,2022		As at March 31,2021	
	Market Value Breakup or fair value or NAV	Book value (Net of provisions)	Market Value Breakup or fair value or NAV	Book value (Net of provisions)
1 Related Parties				
a) Subsidiaries*	14,103.33	14,103.33	11,853.33	11,853.33
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	10,385.21	10,385.21	189.24	189.24
Total	24,488.54	24,488.54	12,042.57	12,042.57

* Includes investments in equity shares of subsidiaries carried at cost and fair value is not disclosed

7. Other Information:

(₹ in millions)

Particulars	As at March 31,2022	As at March 31,2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties*	4,062.06	4,080.43
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	2,062.98	1,432.46
(iii) Assets acquired in satisfaction of debt (Fair Value)	1,784.28	1,384.28

* Includes Interest of ₹ 397.59 millions (P.Y ₹ 560.88 millions)

(xxi) Particulars as per RBI Directions for auction details (As required in terms of paragraph 26 (4)(d) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016:

Particulars	March 31, 2022	March 31, 2021
Number of gold loan accounts	309,450	57,058
Outstanding amount (₹ millions)	21,149.00	3,099.00
Amount recovered in auction (₹ millions)	20,875.20	3,083.30

None of the group companies have participated in the above auctions. The above details have been compiled by the Management and relied upon by the auditors.

46. Unhedged Foreign Currency Exposure:
The unhedged foreign currency exposure as on March 31, 2022 is Nil (P.Y Nil).

47. Gold Loan Portfolio
As on March 31, 2021 the gold loan portfolio comprises 32.61% (P.Y. 39.16%) of the total assets of the Company.

48. Segment Reporting
The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the IND AS 108 on 'Segment Reporting'.

49. Shared services
The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

50. Fraud
During the year under review, the Company had come across frauds totalling to ₹ 118.78 millions (P.Y ₹ 138.87 millions) in respect of its lending operations. Out of the above, frauds amounting to ₹ 13.91 millions (P.Y ₹ 12.30 millions) has already been recovered. Suitable action has been taken by the Company to recover the balance amounts.

51. 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 March 31, 2022	Maximum Outstanding during the year
5paisa Capital Limited	-	3,500.00
IIFL Management Services Limited	-	500.00
IIFL Home Finance Limited	-	7,790.00
IIFL Securities Limited	-	5,400.00
IIFL Facilities Services Limited	-	4,620.00
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	3,500.00

(₹ in millions)

Name of Related Party	Outstanding as on March 31, 2021	Maximum Outstanding during the year
5paisa Capital Limited	-	3,350.00
IIFL Home Finance Limited	-	2,260.00
IIFL Securities Limited	-	800.00
IIFL Facilities Services Limited	-	6,640.00
IIFL Samasta Finance Limited (Formerly Samasta Microfinance Limited)	-	3,700.00

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52. Disclosure pursuant to SEBI Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for fund raising by issuance of debt securities by large entities:

(₹ in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding borrowing	162,459.90	163,000.54
Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd	BWR AA+ (Pronounced as BWR Double A Plus) Outlook: Negative by Brickwork Ratings India Pvt Ltd

(₹ in millions)

Details of the borrowings	FY 2021-22	FY 2020-21
i. 2 years block period	FY 2021-2022 and FY 2022-2023	N.A
ii. Incremental borrowing done (a)	52,129.88	34,960.35
iii. Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	13,032.47	8,740.09
iv. Actual borrowings done through debt securities in FY (c)	15,629.88	15,960.35
v. Shortfall in the mandatory borrowing through debt securities, if any	Nil	Nil
vi. Reasons for short fall, if any, in mandatory borrowings through debt securities	N.A	N.A

53. Public disclosure on liquidity risk:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings): (₹ in millions)

Number of Significant Counterparties	Amount*	% of Total Deposits	% of Total Liabilities
16	80,057	NA	42.79%
(24)	(100,690)	(NA)	(54.75%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(ii) Top 20 large deposits N.A (N.A)

(iii) Top 10 borrowings:

Particulars	Amount *	% of Total Borrowings
Top 10 Borrowings	65,157.05	40.11%
	(62,363.07)	(38.26%)

* The above table excludes details of benefeciary holders of the medium term note bonds

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(iv) Funding Concentration based on significant instrument/product:

(₹ in millions)

Name of the instrument/product	Amount	% of Total Liabilities
Non Convertible Debentures	64,749.22	34.61%
	(70,820.72)	(38.51%)
Term Loans	74,735.50	39.95%
	(47,712.68)	(25.94%)
Securitisation	19,774.25	10.57%
	(39,034.07)	(21.23%)
Commercial Paper	0.00	0.00%
	0.00	(0.00%)
Cash Credit / Overdraft Facilities	3,200.94	1.71%
	(5,433.07)	(2.95%)

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

(v) Stock Ratios:

Particulars	As at March 31, 2022	As at March 31, 2021
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
Commercial papers as a % of total public funds	0.00%	0.00%
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
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil	Nil
Other short-term liabilities* as a % of total liabilities	10.83%	9.37%
Other short-term liabilities* as a % of total assets	8.76%	7.76%
*Other short-term liabilities as a % of total public funds	12.47%	10.58%

* Short Term liabilities means total of current liabilities as per note 44.1 & 44.2 to the financial statements as reduced by current portion of Debt Securities,Borrowings (other than debt securities) and Subordinated Liabilities.

(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.

Note: Figures in bracket represent previous year's figures.

IIFL FINANCE LIMITED

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

54. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020:

As on March 31, 2022 (₹ in millions)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as required under Ind AS 109 (4)			Net Carrying Amount (5)=(3)-(4)	Provision Required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6)
		Principal	Others	Total	Principal	Others	Total	Total	Total	Total
Standard	Stage 1	115,111.34	5,291.93	**120,403.27**	3,006.06	516.43	**3,522.49**	116,880.78	822.95	**2,699.54**
	Stage 2	7,474.84	341.99	**7,816.83**	486.48	35.19	**521.67**	7,295.15	29.90	**491.78**
Subtotal		**122,586.18**	**5,633.92**	**128,220.10**	**3,492.54**	**551.61**	**4,044.17**	**124,175.93**	**852.85**	**3,191.31**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	2,725.06	127.04	**2,852.10**	1,143.35	127.04	**1,270.39**	1,581.71	304.51	**965.88**
Doubtful										
Upto 1 Year	Stage 3	773.60	206.19	**979.79**	326.46	206.19	**532.65**	447.14	168.22	**364.43**
1 to 3 years	Stage 3	143.83	30.13	**173.96**	111.13	30.14	**141.27**	32.69	53.37	**87.90**
More than 3 years	Stage 3	21.97	34.24	**56.21**	20.53	34.25	**54.79**	1.42	21.16	**33.63**
Doubtful (Sub- Total -(B))		**939.40**	**270.57**	**1,209.97**	**458.12**	**270.58**	**728.71**	**481.25**	**242.76**	**485.95**
Loss (Sub- Total -(C))	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal of NPA (Sub- Total -(A+B+C))		**3,664.46**	**397.62**	**4,062.05**	**1,601.47**	**397.62**	**1,999.09**	**2,062.96**	**547.26**	**1,451.83**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current Income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-
		-								
Total	Stage 1	115,111.34	5,291.93	**120,403.27**	3,006.06	516.42	**3,522.48**	116,880.78	822.95	**2,699.54**
	Stage 2	7,474.84	341.99	**7,816.83**	486.47	35.18	**521.65**	7,295.15	29.90	**491.78**
	Stage 3	3,664.46	397.62	**4,062.05**	1,601.47	397.62	**1,999.08**	2,062.96	547.26	**1,451.83**
	Total	**126,250.62**	**6,031.53**	**132,282.15**	**5,094.00**	**949.22**	**6,043.22**	**126,238.89**	**1,400.12**	**4,643.14**

CHHAJED & DOSHI MUMBAI 400 002 CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO MUMBAI CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED

Notes forming part of standalone Financial Statements as at and for the year ended March 31, 2022

As on 31 March 2021

(₹ in millions)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)			Loss Allowances (Provisions) as per required under Ind AS 109 (4)			Net Carrying Amount	Provision Required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
		Principal	Others	Total	Principal	Others	Total	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Standard	Stage 1	119,479.67	7,041.26	126,520.93	3,545.11	528.19	4,073.30	122,447.63	826.93	3,246.38
	Stage 2	23,403.27	1,888.39	25,291.66	1,070.30	132.42	1,202.73	24,088.93	93.61	1,109.11
Subtotal		**142,882.94**	**8,929.65**	**151,812.59**	**4,615.41**	**660.61**	**5,276.03**	**146,536.56**	**920.54**	**4,355.49**
Non Performing Assets (NPA)										
Substandard (Sub- Total -(A))	Stage 3	2,794.32	373.78	3,168.10	1,574.76	373.78	1,948.53	1,219.57	295.26	1,653.27
Doubtful										
Upto 1 Year	Stage 3	465.61	97.74	563.35	366.58	97.74	464.32	99.03	128.10	336.22
1 to 3 years	Stage 3	224.23	56.76	280.99	119.79	56.76	176.55	104.44	127.96	48.59
More than 3 years	Stage 3	35.38	32.60	67.98	25.96	32.60	58.56	9.42	35.28	23.28
Doubtful (Sub- Total -(B))		**725.22**	**187.10**	**912.32**	**512.33**	**187.10**	**699.43**	**212.89**	**291.34**	**408.09**
Loss (Sub- Total -(C))	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal of NPA (Sub- Total -(A+B+C))		**3,519.54**	**560.88**	**4,080.42**	**2,087.08**	**560.88**	**2,647.96**	**1,432.46**	**586.60**	**2,061.36**
Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current Income Recognition, Assets Classifications and Provisioning (IRACP) norms	Stage 1	-	6,404.62	6,404.62	-	70.90	70.90	6,333.72	-	70.90
	Stage 2	-	-	-	-	371.24	371.24	(371.24)	-	371.24
	Stage 3	-	-	-	-	-	-	-	-	-
Subtotal		-	**6,404.62**	**6,404.62**	-	**442.14**	**442.14**	**5,962.48**	-	**442.14**
		-								
Total	Stage 1	119,479.67	13,445.88	132,925.55	3,545.11	599.09	4,144.20	128,781.35	826.93	3,317.28
	Stage 2	23,403.27	1,888.39	25,291.66	1,070.30	503.66	1,573.96	23,717.70	93.61	1,480.35
	Stage 3	3,519.54	560.88	4,080.42	2,087.08	560.88	2,647.96	1,432.46	586.60	2,061.36
	Total	**146,402.48**	**15,895.15**	**162,297.63**	**6,702.49**	**1,663.63**	**8,366.12**	**153,931.51**	**1,507.15**	**6,858.99**

55. Disclosure pursuant to Reserve Bank of India Circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated Nov 04, 2019:
Liquidity Risk Management Framework

As on 31 March 2022

(₹ in millions)

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)	As at September 30, 2021 Total Unweighted Value (average)	As at September 30, 2021 Total Weighted Value (average)	As at June 30, 2021 Total Unweighted Value (average)	As at June 30, 2021 Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**13,530.93**	**13,530.93**	**13,989.13**	**13,989.13**	**6,609.20**	**6,609.20**	**6,692.57**	**6,692.57**
	Cash and Bank Balance	10,375.17	10,375.17	11,876.55	11,876.55	6,181.39	6,181.39	3,310.33	3,310.33
	Unencumbered Fixed Deposits	3,155.77	3,155.77	2,112.59	2,112.59	427.80	427.80	3,382.24	3,382.24
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	326.09	375.00	4,842.39	5,568.75	-	-
4	Secured wholesale funding	2,725.85	3,134.72	2,618.84	3,011.66	1,123.35	1,291.85	2,180.29	2,507.33
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	6,493.92	7,468.01	3,762.14	4,326.47	2,191.04	2,519.69	996.39	1,145.84
6	Other contractual funding obligations	17,857.88	20,536.56	19,682.40	22,634.76	18,915.03	21,752.28	18,835.25	21,660.54
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**27,077.65**	**31,139.29**	**26,389.46**	**30,347.88**	**27,071.81**	**31,132.58**	**22,011.93**	**25,313.71**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	10,935.29	8,201.47	12,981.57	9,736.17	24,153.67	18,115.26	12,037.95	9,028.46
11	Other cash inflows	15,109.41	11,332.06	13,071.37	9,803.53	10,391.32	7,793.49	9,692.34	7,269.25
12	**Total Cash Inflows**	**26,044.70**	**19,533.53**	**26,052.94**	**19,539.70**	**34,544.99**	**25,908.74**	**21,730.29**	**16,297.72**

			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		13,530.93		13,989.13		6,609.20		6,692.57
14	Total Net Cash Outflows		11,605.77		10,808.18		7,783.14		9,016.00
15	Liquidity Coverage Ratio(%)		116.59%		129.43%		84.92%		74.23%

As on 31 March 2021

(₹ in millions)

Sr. No.	Particulars	As at March 31, 2021 Total Unweighted Value (average)	As at March 31, 2021 Total Weighted Value (average)	As at December 31, 2020 Total Unweighted Value (average)	As at December 31, 2020 Total Weighted Value (average)	As at September 30, 2020 Total Unweighted Value (average)	As at September 30, 2020 Total Weighted Value (average)	As at June 30, 2020 Total Unweighted Value (average)	As at June 30, 2020 Total Weighted Value (average)
1	**Total High Quality Liquid Assets (HQLA)**	**12,589.63**	**12,589.63**	**9,574.41**	**9,496.35**	**4,211.73**	**3,980.18**	**8,373.25**	**8,148.20**
	Cash and Bank Balance	8,137.31	8,137.31	3,576.81	3,576.81	1,330.37	1,330.37	1,405.00	1,405.00
	Unencumbered Fixed Deposits	193.11	193.11	2,776.06	2,776.06	181.38	181.38	595.46	595.46
	Undrawn Sanctioned Limits	4,259.21	4,259.21	3,065.42	3,065.42	2,236.87	2,236.87	2,351.68	2,351.68
	Liquid Investments	-	-	156.12	78.06	463.10	231.55	3,931.10	3,706.05
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	4,196.64	4,826.14	-	-	1,700.00	1,955.00
4	Secured wholesale funding	15,694.31	18,048.46	1,385.43	1,593.25	2,873.77	3,304.84	4,358.58	5,012.37
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	13,070.74	15,031.35	11,143.08	12,814.54	6,857.32	7,885.91	2,969.03	3,414.38
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**28,765.06**	**33,079.82**	**16,725.15**	**19,233.93**	**9,731.09**	**11,190.75**	**9,027.61**	**10,381.75**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	27,771.61	20,828.71	14,454.78	10,841.09	11,977.09	8,982.82	5,362.03	4,021.52
11	Other cash inflows	-	-	-	-	-	-	-	-
12	**Total Cash Inflows**	**27,771.61**	**20,828.71**	**14,454.78**	**10,841.09**	**11,977.09**	**8,982.82**	**5,362.03**	**4,021.52**

			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		12,589.63		9,496.35		3,980.18		8,148.20
14	Total Net Cash Outflows		12,251.11		8,392.84		2,797.69		6,360.23
15	Liquidity Coverage Ratio(%)		102.76%		113.15%		142.27%		128.11%

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 implemented the LCR framework and has maintained LCR well above the regulatory threshold.

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.

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS

CHHAJED & DOSHI MUMBAI 400 069. CHARTERED ACCOUNTANTS

IIFL FINANCE LIMITED

STANDALONE FINANCIAL STATEMENTS OF IIFL FINANCE LIMITED
Notes forming part of standalone Financial Statements as at and for the year ended March 31, 2022

56. Disclosure pursuant to (Securitisation of Standard Assets) Reserve Bank of India Circular no./Directions, 2021 RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - September 24, 2021

(₹ in millions)

Sr. No.	Particulars	As on 31st March 2022	As on 31st March 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	12	20
2	Total amount of securitised assets as per books of the SPEs	19,892.33	33,031.37
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
	Other amount of Securtised assets as per the books of SPV sponsored by the company	-	6,106.80
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	602.90
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
4	**Amount of exposures to securitisation transactions other than MRR**	-	
	a) Off-balance sheet exposures	-	
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	2,267.29	3,096.84
	• Others	2,385.65	2,339.01
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	16,820.00	31,650.00
6	Outstanding value of services provided by way of post-securitisation asset servicing.	2.18	5.75
7	Performance of facility provided:-		
	Credit enhancement		
	(a) Amount paid	2,267.29	3,096.84
	(b) Repayment received	Nil	Nil
	(c) Outstanding amount	2,267.29	3,096.84
	% of total value of facility provided	7.09%	6.06%
8	Average default rate of portfolios observed in the past.	Nil	Nil
9	Amount and number of additional/top up loan given on same underlying asset.	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

57. Disclosure pursuant to Reserve Bank of India Circular no. 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:

As at March 31, 2022 (₹ in millions)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan	Of (A), aggregate debt that slipped into NPA	Of (A) amount written off	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan
Personal Loans	45.89	17.24	11.30	4.40	72.38
Corporate Loans *	3,909.81	461.46	501.88	1,824.33	2,004.95
of which, MSME's	2,227.66	461.30	467.76	201.95	1,893.64
Others	5.28	0.82	-	2.79	2.92
Total	**3,960.98**	**479.53**	**513.18**	**1,831.53**	**2,080.25**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

As at March 31, 2021 (₹ in millions)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan **
Personal Loans	329	45.22	-	-	1.32
Corporate Loans *#	3,849	4,598.84	-	-	(6.64)
of which, MSME's	3,823	2,245.55	-	-	200.92
Others	10	5.36	-	-	0.35
Total	**4,188**	**4,649.41**	-	-	**(4.98)**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
#Negative provision due to closure of loan accounts.
**Increase in provision is as on March 31, 21 compared to the date of resolution

58. Disclosure pursuant to (Transfer of Loan Exposures) Reserve Bank of India Circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

(a) Details of transferred through assignment in respect of loans not in default:

Particulars	FY 2021-22
Count of Loan accounts assigned	1,187,478
Amount of loan accounts assigned (₹ in millions)	96,740.34
Weighted average maturity (in months)	18
Weighted average holding period (in months)	4
Retention of beneficial economic interest	10%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated
Break-up of loans transferred / acquired through assignment / novation and loan participation	All Assignment deals
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any	Nil

(b) Details of stressed loans transferred during the year: (₹ in millions)

Particulars	As on 31st March 2022			
	To ARCs		To permitted transferees	To other transferees
	NPA	SMA		
Number of accounts	2,938	1	-	-
Aggregate principal outstanding of loans transferred	2,992.59	450.00	-	-
Weighted average residual tenor of the loans transferred	21.47	27.50	-	-
Net book value of loans transferred (at the time of transfer)	2,409.87	597.05	-	-
Aggregate consideration	5,480.00	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
Excess Provision reversed on account of transfer	-	-	-	-

Note:- In addition to the above, the Company has transferred 6,332 additional loans which have been written off, having an amount outstanding of ₹ 12,342.68 millions which were part of consideration.

No stressed loans were transferred during the previous year ended March 31,2021.

(c) The Company has not acquired any stressed loan during the year and previous year.

(d) Details on recovery ratings assigned for Security Receipts (SR) as on 31st March, 2022:

Recovery Rating^	Anticipated recovery as per recovery rating	Book Value (₹ in millions)
RR1*	100%-150%	3,620.91
Unrated #	-	833.00
Total	-	**4,453.91**

^ Recovery rating is as assigned by external rating agency

Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

* Fully provided for

59. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors
of IIFL FINANCE LIMITED

Nirmal Jain
Managing Director
DIN : 00010535

R. Venkatarama

R. Venkataraman
Joint Managing Director
DIN : 00011919

Rajesh Rajak
Chief Financial Officer

Sneha Patwardhan
Company Secretary

Place : Mumbai
Dated: April 28, 2022

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Shelf Prospectus since October 1, 2024 till the date of filing this Draft 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/ Promoters/ 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.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company, on standalone basis as on September 30, 2024, are as follows:

(*₹ in crore, unless otherwise provided for*)

Sr. No.	Nature of Borrowings	Amount Outstanding	%
1	Secured borrowings	13,571.91	89.31%
2	Unsecured borrowings	1,623.82	10.69%
Total Borrowings		**15,195.73**	**100.00%**

A. Details of Secured Borrowings

Our Company's secured borrowings amounts to ₹ 13,571.91 crore as on September 30, 2024, on standalone basis. The details of the borrowings are set out below:

1. *Term Loans from Banks and financial institutions as on September 30, 2024:*

(*₹ in crore, unless otherwise provided for*)

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
1	Bajaj Finance Limited	February 28, 2022	100.00	16.67	3 year door to door tenure and repayment in 36 equal monthly instalments.	First pari-passu charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility, with a minimum asset cover of l.l5x on the principal amount outstanding at all point of time during the currency of the loan.	The Borrower may voluntary prepay the facility in part or in whole at any-time during the tenure of the facility with a prior notice of 30 days notice, failure to provide which shall attract a penalty of 2.0%	CRISIL AA Stable
2	Bajaj Finance Limited	November 21, 2022	100.00	41.67	3 years door to door tenor and repayment in 36 equal monthly instalment	First pari passu charge on the present and future loan receivables (excluding capital market	The Borrower may voluntary prepay the Facility in part or in whole at any-time during the tenure of the Facility, without any prepayment	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					s.	receivables) and book debts and other current assets of the Borrower by way of hypothecation with a minimum asset cover of 1.15x. of the principal amount and interest and other charges outstanding at any point of time during the currency of the loan.	premium/charges with a prior notice of 30 days, failure to provide which shall attract a penalty of 2.0%.	
3	Bank Of India	December 27, 2019	500.00	73.38	Repayment in 20 equal quarterly instalments of ₹ 25 crore each after moratorium period of 6 months from the date of first disbursement. Door to door tenor of 5 years and 6 months. First repayment will fall due after the first quarter post moratoriu	First pari passu first charge by way of hypothecation of standard receivables (excluding capital market receivables) of the Company along with a minimum security cover of 1.25 times of the sanction amount. Security is to be created in favour of security trustee/lender. Only standard and performing receivables	No prepayment penalty is applicable, if the company prepays the loan anytime during the tenor of the loan through internal generated cash accrual and/or fresh equity infusion.	ICRA AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					m of 6 months.	will be considered while calculating the security cover. The security will be created upfront by way of execution of bilateral documents between the borrower, the lender and trustee.		
4	Bank Of Maharashtra	August 13, 2021	300.00	133.02	18 equal quarterly instalments of ₹ 16.66 crore from the end of moratorium period of 6 months. First instalment shall be due at the end of 9th month from the date of first disbursement. Interest Repayment as and when applied on monthly basis.	Floating first pari passu charge by way of Hypothecation of standard receivables of the Company to be shared with existing and future Lenders with security cover of 1.10 times. The Security will be created upfront through Security Trustee.	Prepayment charged to be waived at the time of interest of reset date wherein the company can prepay the amount with 7 day notice through internally generated cash and / or fresh equity infusion. At the other instances, the prepayment charges at 0.50% per annum + applicable taxes on the amount prepaid from the date of payment till the next reset date will be applicable.	ICRA AA Stable
5	Canara Bank	November 10, 2020	500.00	125.00	Repayable in equal 8 half yearly instalment	First pari passu charge by way of hypothecation	No Prepayment if the company prepays through internally	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					s after the moratorium period of 9 months.	on the standard receivables of the company with asset cover of 1.11 times of the sanction amount.	generated cash accruals or fresh equity infusion, otherwise 2%	
6	Canara Bank	March 18, 2021	500.00	57.89	Repayable in 19 quarterly instalments after the moratorium of 3 months from the first drawdown of the loan. Interest to be paid on monthly basis as and when due.	First pari passu Charge by way of hypothecation of standard receivables of the company arising out of related transactions with Asset Cover of 1.11 times.	2% of the prepaid amount. No prepayment penalty, if the company prepays the loan at any time during the tenor of the loan through internally generated cash accrual and/or fresh equity infusion.	ICRA AA Stable
7	Canara Bank	June 27, 2022	250.00	144.74	Principle to be repaid In 19 quarterly instalments, after a moratorium of 3 months from the first drawdown.	First pari passu charge by way of hypothecation of standard receivables of the company arising out of onward lending of the loan amount with asset cover of 1.11 times.	2% of prepayment amount, nil if the company prepays the loan at any time during the tenor of the loan through internally generated cash accruals and/or equity infusion.	CRISIL AA Stable
8	Canara Bank	March 29, 2023	250.00	194.40	Principal to be repaid in 9 half yearly equal instalments, after the moratoriu	First pari passu charge by way of Hypothecation on the standard receivables of the company	2% of the prepaid amount.	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					m of 6 months from the first drawdown.	through security arrangement. Asset cover of 1.11 times the loan amount at all times.		
9	DCB Bank	December 30, 2022	75.00	37.50	10 quarterly instalments after moratorium period of 6 months.	First pari passu charge by way of Hypothecation on the receivables of the company through security arrangement. Asset cover of 1.10 times the loan amount at all times.	2% on outstanding / pre-paid amount, minimum Rs. 10,000/- Nil if prepaid on interest reset date by giving one-month notice.	CRISIL AA Stable
10	IDBI Bank	December 29, 2021	50.00	27.68	Door to door tenure of 5 years (including 6 months moratorium). Loan to be repaid in equal monthly instalments after a moratorium of 6 months. The average maturity of priority sector assets thus created by the NBFC should be co-terminus	First pari passu charge by way of hypothecation on the standard loan book assets receivables of the company both present and future, book debts, loan and advances to the extent of minimum 1.10 times of the loan outstanding throughout the tenor of the loan. All book debts charged should be standard. The security interest to be	Pre-payment premium at 1% p.a. of outstanding loan being prepaid, up to the maturity.	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					with maturity of the bank loan.	created in favour of security trustee.		
11	IDBI Bank	March 10, 2023	75.00	49.95	Loan to be repaid in equal monthly instalments after a moratorium of 3 months.	First pari-passu charge by way of Hypothecation on the standard receivables of the company through security arrangement. Asset cover of 1.10 times the loan amount at all times.	Prepayment premium at 1% pa of the outstanding loan being prepaid, up to the maturity.	CRISIL AA Stable
12	IDFC First Bank	November 02, 2021	200.00	100.01	Tenor of 5 years. Repayable in quarterly instalments of ₹ 11.11 crore each after a moratorium period of 6 months.	First Pari Passu Charge on standard receivables. Security cover of 1.10 times of amount to be maintained.	Facilities cannot be repaid.	ICRA AA Stable
13	Indian Bank	December 5, 2020	300.00	71.84	Repayable in 5 years (inclusive of moratorium of 3 months) in 19 equal Quarterly instalments. Interest to be serviced as and when due.	Hypothecation on receivables (Non-Exclusive, First Pari Passu basis) to the extent of 1.10 times of outstanding amount.	No Prepayment if the company prepays through internally generated cash accruals or fresh equity infusion.	ICRA AA Stable
14	Indian Overseas	March 29,	100.00	49.73	Term loan of 100	First pari passu charge	Nil prepayment charges with	CRISIL AA

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
	Bank	2022			crore shall be repayable in 8 half yearly instalments of ₹ 12.5 crore after a moratorium period of 6 months. Interest to be serviced as and when debited including holiday period. Total door to door tenor will be 4.50 (four and half) years.	in favour of the security trustee on receivables of the company, both present and future, book debts, loans and advances with a security cover of 1.10 times except those receivables present and or future specifically and exclusively charged in favour of certain existing charge holders.	option to pre-pay the term loan at any time with 30 day notice; However prepayment in the first year (from the fate of disbursement) will attract applicable prepayment charges.	Stable
15	Karnataka Bank	December 09, 2021	100.00	9.75	Repayable in 10 quarterly instalments of ₹ 10 crore each after a holiday period of 4 months. Interest to be serviced on a monthly basis, as and when debited.	First pari passu charge on standard book debts / receivables with minimum security coverage of 1.10 times.	Pre Closure foreclosure charges of 2% shall be charged only in case of takeover of liabilities by other banks. such charges will be calculated based on the balance outstanding	ICRA AA Stable
16	Karnataka Bank	March 19, 2022	100.00	19.80	Repayable in 10 quarterly instalments of ₹ 10	Pari passu first charge on standard receivables book debts of	Pre- Closure, foreclosure charges of 2% shall be charged only in case of	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					crore each after a holiday period of 4 months. Interest to be serviced on a monthly basis, as and when debited.	the Company with minimum security coverage of 1.10 times.	takeover of liabilities by other banks. such charges will be calculated based on the balance outstanding.	
17	MUDRA	December 08, 2021	200.00	32.50	The loan shall be repayable by the Borrower in a period not exceeding 3 years in quarterly instalments, commencing after moratorium of 3 months from date of first disbursement.	Pari-passu charge by way of hypothecation of the standard current assets and financial assets of the Borrower. Security cover will be to the extent of 1.20 times of the loan amount.	The Borrower shall not prepay the outstanding principal amount of loan in full or part thereof before the due dates except after obtaining prior approval of MUDRA in writing which may be granted subject to such conditions. MUDRA may deem fit to levy interest on residual period of repayment for loans i.e. up to 12 months 1 % of outstanding amount, for loans up to 13 -24 months 2% of outstanding amount. for loans more than 24 months 3% of outstanding amount.	ICRA AA Stable
18	NABARD	November 5, 2020	200.00	50.00	Repayable in 5 years quarterly instalment of 5% at	Pari- passu first charge by way of hypothecation of the entire	The prepayment can only be initiated after minimum notice of 3 working days.	ICRA AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					each quarter.	current assets and financial assets of the Borrower. Security cover will be to the extent of 1.25 times of the loan amount.	Penalty of 2.5% P.A for each instalment due separately for the entire period (minimum 6 months) from the date of prepayment to the date on which the instalment is actually due for payment.	
19	NABARD	July 05, 2021	300.00	120.00	Repayable in 5 years quarterly instalment of 5% at each quarter and last instalment as on last date June 30, 2026 is 10%.	Pari - passu first charge by way of hypothecation of the entire current assets and financial assets of the Borrower cover of 1.20 times the sanction amount.	Penalty of 2.5% p.a. for each instalment due separately for the entire period (minimum 6 months) from the date of prepayment to the date on which the instalment is actually due for payment. Prepayment can only be initiated after the notice of 3 working days.	ICRA AA Stable
20	NABARD	February 22, 2022	1,000.00	300.00	Repayable up to 4 years in quarterly instalments and last instalment as on last date December 31, 2025 is 2%.	Pari passu first charge by way of hypothecation of entire current assets and financial assets of the Borrower. Security Cover will be to the extent of 1.20 times of the loan amount.	The prepayment can only be initiated after minimum notice of 3 working days and the same will attract pre-payment charges as per the rate prevailing on the date of prepayment. The current rate pre-payment charges are 2.5% p.a. and will be chargeable for each instalment due separately for the	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
							entire period (minimum 6 months) from the date of pre-payment to the date on which the instalment is actually due for payment.	
21	NABARD#	March 28, 2023	500.00	350.00	Repayable in up to 57 months.	A separate Deed of Assignment of Book Debts equivalent to Rs.600.00 crore to be executed in favour of NABARD for creation of exclusive charge This deed would cover all the present and future debts, receivables, etc. and also future loans and advances. The security assigned shall be 1.20 times of the amount of loan released. All securities assigned should be performing standard assets only (No SMA /SMA 2 accounts to be included). Shortfall in the value of securities, if	Prepayment of instalment may be done by giving 3 days clear notice and the same will attract prepayment charges as per the rates prevailing on the date of prepayment. The current prepayment rate is 2.5% for the residual period of the amount to be prepaid.	ICRA AA Stable

S. No	Lender’s Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						any to be recouped by assigning additional securities to see that NABARD's dues are fully backed by sufficient security to the extent of minimum 1.20 times of the refinance outstanding. Exclusive charge has to be created on the assets/receivables assigned to NABARD and perfection of charge has to be done by obtaining NOC from other lenders. The Security assigned shall be 1.20 times of the amount of loan released. All Securities assigned should be performing standard assets only. Shortfall in the value of securities, if any to be recouped by assigning additional securities to		

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						see that NABARD's dues are fully backed by sufficied security to the extent of minimum 1.20 times of the refinancing outstanding.		
22	Punjab & Sind Bank	September 29, 2021	200.00	83.86	Repayable in 19 equal quarterly instalment of ₹ 10.53 crore starting after the moratorium period of 3 months from the date of first disbursement. Interest will be serviced as and when due.	First Pari-passu charge by way of hypothecation on the receivables of the Company through Security Trustee. (Security Coverage up to 1.11 Times).	If the company prepay the loan at any time during the tenor of the loan through internally generated cash accruals and or fresh equity infusion then there will be no prepayment penalty otherwise prepayment charges will be levied.	ICRA AA Stable
23	Punjab & Sind Bank	September 19, 2022	500.00	338.44	Repayable in 18 quarterly instalments of ₹ 27.27 crore each after 6 months moratorium from the date of first disbursement.	First pari passu charge by way of hypothecation of standard receivables of the company, both present and future, through security trustee arrangement with a security coverage of	Nil prepayment charges if prepayment is made with prior notice of 30 days.	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						1.11 times.		
24	State Bank of India	March 19, 2021	300.00	89.12	20 quarterly instalments of ₹ 15 crore each to be commenced after 3 months of first disbursement. Instalment will fall due on last day of quarter.	First Pari Passu Charge on receivables net of NPA, over dues and finance charges comprising receivables book debts present and future to the extent of 1.25 times.	2% of prepaid amount by serving prior notice of 7(seven) business days. No prepayment charges if (a) Payment at instance of lenders; (b) Loans prepaid out of internal accruals equity infusion by promoters; (c) Payment made out of cash sweep insurance proceeds.	ICRA AA Stable
25	State Bank Oof India	March 24, 2022	600.00	95.40	12 quarterly instalments of ₹ 50 crore each to be commenced after 3 months of first disbursement. Instalment will fall due on last day of the quarter. Interest to be paid as and when due.	First pari passu charge by way of hypothecation of all receivables and loan assts of the company to the extent of 1.25 times excluding Capital market receivables.	2% pre-paid amount. Prepayment charges will not be levied: (a) In case of payment has been made out of cash sweep Insurance proceeds; (b) Payment at the instance of the lenders; c) Loans prepaid out of internal accruals equity infusion by promoters.	CRISIL AA Stable
26	State Bank Oof India	March 15, 2023	500.00	350.00	20 quarterly instalments of Rs 25 crore each to be commenced after 3 months of	First pari passu charge by way of Hypothecation on the Standard assets of the company. Company to	Prepayment penalty will be applicable in case term loan is prepaid within one year from last disbursement at 2% of the prepaid amount.	ICRA AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					the first disbursement. Instalment will fall due on last day of the quarter.	submit certificate from Chartered Accountant at quarterly intervals confirming that term loan is covered by Stage-1 gold loan receivables with ACR of 1.25 times).	Prepayment charges will not be levied on the following (1) Payment at the instance of lenders (2) in the instances where the bank has, strategically decided to exit from the exposure (3) Payment made from own sources.	
27	Union Bank of India	September 06, 2021	250.00	99.90	Repayable in 20 quarterly instalment from the date of 1st disbursement. Door to door tenor of 5 years.	First pari passu charge by way of hypothecation on the standard loan receivables (excluding real estate and capital market receivables.) of the company through security arrangement. The asset cover should be maintained at least 1.11 times of the loan amount at all times.	At 2% flat on the amount of term loan prepaid as on the date of closure of the account. Here, if any decision taken by the bank to change/ modify the terms and conditions stipulated in the original sanction copy including ROI, the company shall have the option to prepay the loan by giving the 30 days of such communication by giving 7 days prior notice to the bank.	ICRA AA Stable
28	Union Bank of India	January 18, 2023	250.00	174.77	20 Quarterly equal instalments with NIL moratorium.	First pari passu charge by way of Hypothecation on the Standard assets of the company (excluding receivables pertaining to	2% on outstanding / pre-paid amount, Wherever the prepayment is from internal accruals/own sources and/or interest rate reset date, no prepayment penalty may be	ICRA AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						capital market and real estate exposure) through security arrangement. Asset cover of 1.11 times the loan amount at all times.	levied if 30 days notice period is submitted.	
29	Ujjivan Small Finance Bank	May 22, 2023	70.00	35.00	Principal Amount under the Facility to be repaid in 4 (Four) Half yearly instalments.	The facility, and all the interest, additional interest, further interest, liquidated damages, indemnification payments, frees, costs, expenses and other monies owning by, and all other present and future obligations and liabilities to be secured by way of a first pari passu charge under the Security Trustee agreement by way of hypothecation on the borrower loan receivable to be created in the mode and manner stipulated by the bank. throughout	The borrower shall have to pay penalty of 2% per annum on the principal amount under the facility proposed to be prepaid if such prepayment is being made before completion of up to 1 year from the date of first drawdown, no prepayment penalty will be levied post such date.	ICRA AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						the tenure of the facility the borrower shall maintain security coverage of at least 110% of outstanding amounts under security trustee arrangement All book debts and receivables should be standard assets.		
30	Canara Bank	June 13, 2023	250.00	221.80	Principal to be repaid in 9 half yearly equal instalments, after the moratorium of 6 months from the first drawdown.	First pari passu charge by way of Hypothecation on the Standard assets of the company (excluding receivables pertaining to capital market and real estate exposure) through security arrangement. Asset cover of 1.10 times the loan amount at all times.	As applicable i.e.2% of the prepaid amount.	ICRA AA Stable
31	Bank of Maharashtra	June 21, 2023	200.00	157.76	Principal amount shall be repaid in 19 equal quarterly instalments, First quarterly instalment	Floating First pari passu charge by way of Hypothecation on the Standard assets of the company (excluding	Prepayment charges to be waived at the times of interest rate reset date wherein the company can prepay the amount with 7 days notice through internally	ICRA AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					shall be due at the end of 6th month from the first disbursement.	receivables pertaining to capital market and real estate exposure) through security arrangement. Asset cover of 1.10 times the loan amount at all times.	generated cash accruals and / or fresh equity infusion. At all other instances, prepayment charges @ 0.50% pa + taxes on the amount prepaid from the date of payment till the next reset date will be applicable.	
32	HDFC Bank	04-08-2023	400.00	200.00	2 years tenor - to be repaid in equal quarterly instalment.	110% on eligible receivables of standard assets as per security trustee arrangements. Receivables will not include loans to related parties/ associate/ group entities.	Nil	CRISIL AA Stable
33	Nabkisan Finance Limited	15-09-2023	85.00	69.54	36 months, including moratorium period of one quarter. The principal amount shall be repaid in 11 equal quarterly instalments after moratorium of one quarter. First instalment	First charge on pari passu basis by way of hypothecation of 110% of standard book debts. Demand promissory notes.	Prepayment of loan is permitted with fixed prepayment charges @ 2.00%.	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
					of principal repayment will fall due on the first day of the month after six months from the month of disbursement.			
34	DCB Bank	27-09-2023	62.50	50.00	Loan to be repaid in 10 Equal quarterly instalments. Moratorium period: 6months with total tenor of 36 months.	First pari passu charge by way of hypothecation on the receivables of the company through security arrangement. Asset cover of 1.10 times the loan amount at all times.	2% on oustanding/ pre-paid amount, minimum Rs. 10,000/- Nil, if pre-paid on interest re-set date by giving one-month notice.	CRISIL AA Stable
35	Bank Of Baroda	27-10-2023	750.00	608.83	Repayable in 16 equal quarterly instalments.	First pari passu charge on standard receivables pertaining to non- capital market exposure with minimum security coverage of 1.10 times to be maintained throughout the tenure of the loan	Prepayment charges shall be applicable in the initial lock-in-period of 1 year. After lock in period of 1 year. Prepayment penalty of NIL on account of following: a. If the spread is increased which is not acceptable to the borrower it shall have option to repay the facility subject to prior notice period of 15 days b. In Case of revision of any	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
							terms and condition not acceptable to the borrower it shall have option to repay the facility within 15 days of the date of such intimation to the borrower. c. If prepayment from own funds/internal accrual/ equity infusion subject to prior notice of 15 days d. If prepayment is made on instance of bank In all other cases (including lock in period of 1 years) 2% of the amount of the loan prepaid will be applicable	
36	Union Bank of India	03-11-2023	250.00	212.34	20 Quarterly equal instalments with NIL moratorium.	First pari passu charge by way of hypothecation of all current assets of the company including book debts/receivables along with the underlying securities thereto both present and future (excluding book debts/receivables pertaining to capital market	At 2% flat on the amount of term loan prepaid as on the date of closure of the account. Wherever the prepayment is from internal accruals/own sources and /or interest rate reset date, no prepayment penalty may be levied if 30 days' notice period is submitted.	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						exposure) of the company through security trustee arrangement with ACVR of 1.11 times.		
37	NABARD#	27-09-2023	500.00	400.00	The door to door tenor of the loan shall be 57 months payable quarterly as per the schedule provided by the lender commencing from 31st December 2023.	A separate Deed of Assignment of Book Debts equivalent to Rs.600.00 crore to be executed in favour of NABARD for creation of exclusive charge This deed would cover all the present and future debts, receivables, etc. and also future loans and advances. The security assigned shall be 1.20 times of the amount of loan released. All securities assigned should be performing standard assets only (No SMA /SMA 2 accounts to be included). Shortfall in the value of securities, if any to be	Prepayment of instalment maybe done by giving 3 days clear notice and the same will attract prepayment facilitation charges as per the rate prevailing on the date of prepayment. The current prepayment charges are 2.5% for the residual period of the amount to be prepaid. The prepayment facilitation charges will be chargeable for each instalment due separately for the entire period from the date of prepayment to the date on which instalment is actually due for payment with a minimum period of 6 months. The prepayment can only be initiated after minimum notice of 3 working days.	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						recouped by assigning additional securities to see that NABARD's dues are fully backed by sufficient security to the extent of minimum 1.20 times of the refinance outstanding. Exclusive charge has to be created on the assets/receivables assigned to NABARD and perfection of charge has to be done by obtaining NOC from other lenders. The Security assigned shall be 1.20 times of the amount of loan released. All Securities assigned should be performing standard assets only. Shortfall in the value of securities, if any to be recouped by assigning additional securities to see that		

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						NABARD's dues are fully backed by sufficied security to the extent of minimum 1.20 times of the refinancing outstanding.		
38	Indian Bank	30-12-2023	250.00	187.41	Repayable in 12 equal quarterly instalments with "NIL" Moratorium.	First pari passu charge on the loan book assets/receivables of the company (both present and future) book debts, loans and advances. Minimum Security covering Standard loan portfolio will be 1.10 times of the loan outstanding at any point of time during the tenor of the loan.	Post lock in period of 1 year NIL prepayment charges subject to 30 days prior written notice and prepayment being made from intern accruals/own sources of company.	CRISIL AA Stable
39	Bandhan Bank	16-12-2023	150.00	125.00	12 equal quarterly instalments in 3 years.	First pari passu charge by way of hypothecation on standard loan book, assets receivable of the company, both present and future book debts, loans and advances to	Borrower may prepay the facility amount with payment of prepayment penalty of 2.00% on the principal outstanding amount. However, in case of increase in the interest spread, company may prepay the loan without	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						the extent of minimum 1.10 times of the loan outstanding throughout the tenor of the loan.	prepayment penalty within 15 days of intimation of increase in interest spread.	
40	State Bank Of India	10-01-2024	600.00	539.93	20 quarterly instalments of ₹ 30.00 crore each to be commenced after 3 months of first disbursement. Instalment will fall due on the last day of the quarter.	First pari passu charge by way of hypothecation on standard receivables/loan assets pertaining to Gold Loan Segment with a margin of 20%.	2% of the prepaid amount. Prepayment penalty of 1% will be applicable on account of "loan prepaid out of higher cash accruals from the project/equity infusion by promoters". Prepayment charges will not be levied on the following cases: a. In Case payment has been made out of cash sweep / Insurance proceeds. b. Payment at the instances of lenders. c. in the instances where the bank has strategically decided to exit from the exposure.	CRISIL AA Stable
41	Canara Bank	11-01-2024	500.00	437.50	Principal to be repaid in 8 half yearly equal instalments, from the first drawdown.	First pari passu charge by way of hypothecation of the standard receivables of the company arising out of onward lending of the	2% of the prepaid amount (loans prepaid from own sources will not attract prepayment/preclosure charges).	CRISIL AA Stable

S. No	Lender's Name	Date of Original Sanction	Sanctioned Amount	Principal Amount outstanding	Repayment Schedule	Security*	Prepayment	Credit rating (if applicable)
						loan amount with asset cover of 1.11 times.		
Total Principal Outstanding			**12,367.50**	**6,482.13**				

Total Principal Outstanding		**6,482.13**				
Adjustments for:						
+ / -	Accrued Interest	22.11				
+ / -	Effective Interest rate	-39.06				
+ / -	Marked to Market	4.49				
Total Outstanding as per Ind AS		**6,469.67**				

All the above facilities are in the form of term loans.
The assets charged against the above-mentioned facilities are standard assets.
** The above facilities are secured through creating of a first ranking pari passu charge in favour of Vistra ITCL (India) Limited through a security trustee arrangement entered into by the company, security Trustee and the lenders.*
 # Facility is secured through exclusive charge on the assets/receivables assigned to NABARD through a separate Deed of Assignment of Book Debts.

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 upto 5% 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 1% per annum in case the Company fails to obtain and keep alive external credit rating from any one of the RBI approved agency.

c. Penalty of upto 2% per annum in case of breach of terms and conditions of the loan agreements including non-submission of audited financials, book debt statement, end use certificates, diversion of funds, downgrading of external ratings, asset cover statement etc.

d. Penalty of upto 2% per annum in case of non-creation of security as per the loan agreements.

e. Delay in submission of monitoring documents (wherever applicable) including but limited to audited financials and Bank statements of other lenders- ₹ 10000/ per item per month for delayed period.

f. Expiry of Working capital limits - 2% per annum on the outstanding amount of fund based credit facilities for the expiry period.

g. Penal interest of 2% to be charged post 90 days from date of first disbursement till the submission of external rating.

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) 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 into 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 into amalgamation, reorganisation or reconstruction or there is a change of control of the Company without the prior consent of the lenders and/or 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 prejudicially or adversely affect in any manner the capacity of the Company 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 15 days.

(o) Certain loan agreements include financial covenants including maintenance of TOL/TOW ratio, limits on total GNPA, NNPA etc.

(p) In case on cross defaults on any indebtedness of the company.

(q) Diversion of funds from the end utilization criteria as stipulated by the term loan agreements.

(r) Certain agreements provide for an event of default in case of revocation/ suspension or termination of license which has adverse effect on business of borrower.

(s) Certain agreements provide for an event of default in case of filing of any claim with NCLT under Insolvency and bankruptcy laws resulting in appointment of resolution professional.

(t) Refusal to Lender from examining, inspecting and/or conducting an audit over the Borrower's books of accounts at any time.

(u) Any other events as may be stipulated in the Financing Documents. The Events of Defaults contained herein shall not be construed as exhaustive.

(v) Any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization {by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets; enforcement of any security over any assets of the Borrower or any similar procedure or step is taken in any jurisdiction. The Borrower and any of its lenders make a reference and/or submits a proposal to make an application to any restructuring mechanism available to the Borrower under the applicable laws.

(w) The company disavows to take action to challenge validity of enforceability of financing department. Any Potential Event of Default with respect to any of the provisions, covenant, under the terms of the Facility Agreement or any other Financing Document, as the case may be), shall with lapse of time, or the non-fulfilment of any other requirement under the Facility Agreement, or both, shall amount to Event of Default.

(x) Occurrence of a material adverse event.

(y) Changes in control and nature of the business of the borrower.

(z) Jeopardisation of security.

(aa) Misrepresentation by the borrower.

(bb) Financial EOD:

a. CRAR<15%

(cc) Non-Financial EOD

a. Downgrade in rating below the minimum stipulated rating.
b. Non-compliance with RBI norms.
c. Diversion of funds.

(dd) During the tenor external rating should not fall below AA in such event bank to charge 100bps higher than the present interest rate.

(ee) Borrowers or any of its Directors are not included in the RBI's wilful defaulter list and company should replace such defaulted director within 30 days time.

2. *Term loan in the form of external commercial borrowings as on September 30, 2024*

(₹ in crore, unless otherwise provided for)

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount ($ in million)	Principal Amount outstanding	Repayment schedule	Security*	Prepayment	Credit Rating
1	The Hongkong and Shanghai Banking Corporation Limited, Gift City Branch	June 20, 2023	75.00 (*₹ 614.48 crore*)	614.48	Bullet Repayment	First pari passu charge by way of hypothecation on the entire Borrower's Charged Assets, in favour of the Security Holder, in accordance with the Deed of Hypothecation. Security Coverage Ratio – upto 1.1 time.	The Borrower may, by giving not less than 30 calendar days prior written notice to the Lender and subject to receipt of all necessary regulatory approvals to the extent required to make the prepayment, prepay the Loan on the last day of any Interest Period in whole or in part.	NA
2	Export Development Canada	March 27, 2023	50.00 (*₹ 411.00 crore*)	411.00	Bullet Repayment at the end of 36 months.	1st ranking pari-passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lenders; and DSRA for next 3 months interest servicing.	The Borrower may, if it gives the Agent not less than 7 Business Days' (or such shorter period as the Agent may agree) prior notice, cancel the whole or any part (being a minimum amount of US$10,000,000 or in higher integral	NA

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount ($ in million)	Principal Amount outstanding	Repayment schedule	Security*	Prepayment	Credit Rating
							multiples of US$5,000,000) of the Available Facility	
3	Deutsche Bank	March 27, 2023	25.00 (*₹ 205.50 crore*)	205.50	Bullet Repayment at the end of 36 months.	1st ranking pari-passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lenders; and DSRA for next 3 months interest servicing.	The Borrower may, if it gives the Agent not less than 7 Business Days' (or such shorter period as the Agent may agree) prior notice, cancel the whole or any part (being a minimum amount of US$10,000,000 or in higher integral multiples of US$5,000,000) of the Available Facility	NA
4	Canara Bank	March 27, 2023	25.00 *(₹ 205.50 crore)*	205.50	Bullet Repayment at the end of 36 months.	1st ranking pari-passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lenders; and DSRA for next 3 months interest servicing.	The Borrower may, if it gives the Agent not less than 7 Business Days' (or such shorter period as the Agent may agree) prior notice, cancel the whole or any part (being a minimum amount of US$10,000,000 or in higher integral multiples of US$5,000,000) of the Available	NA

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount ($ in million)	Principal Amount outstanding	Repayment schedule	Security*	Prepayment	Credit Rating
							Facility	
5	Bank of Baroda	June 21, 2023	50.00 *(₹ 410.11 crore)*	410.11	Bullet Repayment at the end of 36 months.	1st ranking pari-passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lender.	The Borrower may, subject to paragraph (b) of Clause 7.1 (Notices of cancellation or prepayment), if it gives the Agent not less than 7 Business Days' (or such shorter period as the Agent may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces that Loan by a minimum amount of US$10,000,000 or in higher integral multiples of US$5,000,000).	NA
6	Union Bank of India	March 27, 2023	50.00 *(₹ 410.25 crore)*	410.25	Bullet Repayment at the end of 36 months.	1st ranking pari-passu charge over the Portfolio with a minimum Asset Cover of at least 1.1x at all times in favour of the Security Agent for the benefit of the Lender.	The Borrower may, if it gives the Agent not less than 7 Business Days' (or such shorter period as the Agent may agree) prior notice, cancel the whole or any part (being a minimum amount of US$10,000,00	NA

Sr. No.	Lender's Name	Date of Sanction	Sanctioned Amount ($ in million)	Principal Amount outstanding	Repayment schedule	Security*	Prepayment	Credit Rating
							0 or in higher integral multiples of US$5,000,000) of the Available Facility	
7	Mizuho Bank Limited	September 21, 2023	50.00 *(₹ 416.68 crore)*	416.68	Bullet repayment for each loan on the Final Maturity Date.	First ranking pari passu charge on all present and future, standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the Borrower, subject to Security Coverage Ratio of not less than 1.1x.	Voluntary prepayment is allowed after the last day of the Availability Period in whole or in part (if in part, subject to minimum prepayment amount is JPY 1 billion and thereafter in integral multiples of JPY500 million), without any penalty on any interest payment date with no less than 10 business days' prior written notice.	NA
Total Principle Outstanding			**325.00** (*₹ 2,673.52 crore*)	**2,673.52**				
Total Principle Outstanding				**2,673.52**				
+ / - (i) Accrued Interest				38.35				
+ / - (ii) Effective Interest Rate				-24.20				
+ / - (iii) Marked to Market				72.76				
Total Amount Outstanding as per Ind AS				**2,760.43**				

* The above facilities are secured through creation of a first ranking pari passu charge in favour of Vistra ITCL (India) Limited through a security trustee arrangement entered into by the company, security Trustee and the lenders.

The Hongkong and Shanghai Banking Corporation Limited, Gift City Branch
Penalty:

(a)The Borrower may, by giving not less than 30 calendar days (or such shorter period as the Majority Lenders may agree) prior written notice to the Lender and subject to receipt of all necessary regulatory approvals (including but not limited to the approval of the RBI or the Authorised Dealer (as the case may be) under the ECB Guidelines) to the extent required to make the prepayment, prepay the Loan (or part thereof) on the last day of any Interest Period in whole or in part.

(b) Any prepayment under this Clause shall be made together with accrued interest on the amount prepaid and subject to payment of Break Costs and prepayment charges subject to funding penalties at the discretion of the lender in compliance with the ECB guidelines and applicable laws.

Rescheduling: Agreements do not have any provisions for rescheduling.

Event of Default:

a) Non-Payment-The Company does not pay on the due date any amount payable pursuant to a Transaction Document at the place and in the currency in which it is expressed to be payable.

b) Other obligations-Any other breach (other than a payment default) has occurred in the performance of any covenant, condition or undertaking on the part of the company under this Agreement or any other Transaction Documents.

c) Misleading Information and Representations provided by the company.

d) Inadequate Insurance-If the assets of the Company have not been kept insured by the Company or depreciate to such an extent that such depreciation in value could in the opinion of the Lenders, have a Material Adverse Effect.

e) Proceedings Against or Dissolution of the Company.

f) Cessation or Change in Business or Control.

g) Security Not Created or Perfected or in jeopardy.

h) Expropriation Events: Any government (including any political or administrative sub-division thereof), governmental authority, agency, official or entity takes or threatens any action: Nationalize, compulsorily acquire, expropriate, or seize, condemn or confiscate all or its assets (including Secured Assets); for the dissolution of the Company, or any action which deprives or threatens to deprive the Company of certain privileges.

i) Illegality: It is or becomes unlawful for the Company to perform any of their respective obligations under this Agreement or any Transaction Document; The Transaction Document or any provision thereof are required by any law to be amended, waived or repudiated; or Any obligation under this Agreement or any Transaction Document is not or ceases to be a valid and binding obligation of any person party to it or becomes void, illegal, unenforceable or is repudiated by such person.

j) Cross Default: The Company is unable or has admitted in writing its inability to pay any of its Financial Indebtedness as they mature or when due. An event of default in payment of any amount due, occurs under any agreement or document relating to any Financial Indebtedness of the company or if any other lenders of the company including financial institutions or banks with whom the company has entered into agreements for financial assistance have recalled its/their assistance or any part thereof.

k) Insolvency: The Company is or is to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties. The value of the assets of the Company is less than its liabilities. A moratorium is declared by a government agency in respect of any indebtedness of the Company. Commencement of an insolvency resolution process under the IBC in respect of the Company.

l) Adverse litigation and final judgment: Any judgment or other order of a court of competent jurisdiction is made against the Company which has Material Adverse Effect. Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings, requisition or disputes are commenced or threatened in relation to the Transaction Documents, or the transactions contemplated in the Transaction Documents or against any of the Company or in relation to its assets which has Material Adverse Effect.

m) Material Adverse Effect: One or more events, conditions or circumstances (including any change in law) shall occur or exist which in the opinion of the Lenders, could have a Material Adverse Effect.

n) Environmental compliance: The Company fails to comply in all material respects with all Environmental Law as may be applicable, obtain and maintain any Environmental Permits.

o) Environmental Claims: Company fails to inform the Bank in writing of any Environmental Claims, in each case where such Environmental Claim might reasonably be expected, if determined against the Company, to have a Material Adverse Effect.

p) Breach of financial covenant, information undertaking and other agreed undertaking: Any breach has occurred in the performance of financial covenant as prescribed under this Agreement, information undertaking or any such undertaking on the part of the Company under this Agreement or any other Transaction Documents.

q) Repudiation: The Company repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document.

r) Termination/amendment of material contracts: Revocation of any material contract/commercial agreement, which if terminated and not replaced by the Company to the satisfaction of the Lender and amounts to a Material Adverse Change.

s) Audit Qualification: The auditors of the Company qualify the audited financial statements of the Company for fraud or in the form of a ‘disclaimed’ balance sheet.

t) Material Adverse Change: Any event or circumstance occurs which the Lender reasonably believes might have a Material Adverse Effect.

u) Moratorium: If any relevant lender/authority declares a general moratorium or “standstill” (or makes or passes any order or regulation having a similar effect) (or any indebtedness which includes Financial Indebtedness) owed by the Company and where such declaration, order or regulation applies to Company and restricts payments required to be made by the Company in accordance with the Facility Documents.

v) Amendment to the Constitutional Document of the Company.

w) Change in Capital Structure: The promoter group ceases to hold or sells such percentage of the paid-up share capital of the Company, which results in Material Adverse Effect.

Deutsche Bank

Prepayment Penalty: Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

Rescheduling: Agreements do not have any provisions for rescheduling.

Event of Default:

a) Non-payment- The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:
    1. its failure to pay is caused by:
        i. administrative or technical error; or
        ii. a Disruption Event; and
    2. payment is made within two Business Days of its due date.

b) Financial covenants and other obligations
    1. Any requirement of Clause 21 (*Financial covenants*) is not satisfied.
    2. Any requirement of Clause 22.15 (*Anti-corruption law*) or Clause 22.16 (*Sanctions*).
    3. The Borrower does not comply with any provision of any Security Document.

c) Other obligations
    1. The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (*Non-payment*) and Clause 24.2 (*Financial covenants and other obligations*)).
    2. No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the failure to comply.

d) Misrepresentation
    1. Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect (save that, where such representation or statement is qualified by reference to materiality or Material Adverse Effect, in any respect) when made or deemed to be made.
    2. No Event of Default under paragraph (a) above will occur if the misrepresentation or misstatement is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the misrepresentation or misstatement.

e) Cross default
    1. Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
    2. Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
    3. Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).
    4. Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

5. No Event of Default will occur under this Clause 24.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US $10,000,000 (or its equivalent in any other currency or currencies).

f) Insolvency

1. A member of the Group:
   (i) is unable or admits inability or is presumed or deemed to be unable to pay its debts as they fall due;
   (ii) suspends or threatens to suspend making payments on any of its debts; or
   (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
2. The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
3. A moratorium is declared in respect of any indebtedness of any member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

g) Insolvency proceedings

1. Any corporate action, legal proceedings or other procedure or step is taken in relation to:
   (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not the Borrower;
   (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;
   (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not the Borrower), receiver, judicial manager, administrative receiver, administrator, compulsory manager, provisional supervisor or other similar officer in respect of any member of the Group or any of its assets; or
   (iv) enforcement of any Security over any assets of any member of the Group;
   (v) the preparation of a resolution plan or restructuring for the Borrower or a member of the Group pursuant to RBI's Prudential Framework for Resolution of Stressed Assets dated 7 June 2019, as amended or replaced from time to time or any other guidelines or regulations issued or framework set up by the RBI or other competent authorities in relation to resolution of stressed assets or non-performing assets;
   (vi) the Borrower or a member of the Group by way of filing of an application by any "appropriate regulator" (as defined under the Insolvency and Bankruptcy Code of India, 2016, its rules and regulations or any other analogous law or regulation) for initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code of India, 2016 or any other analogous law or regulation;
   (vii) initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of India in respect of a member of the Group (incorporated in India) (including filing of an insolvency resolution application before any National Company Law Tribunal of India); or
   or any analogous procedure or step is taken in any jurisdiction.
2. This Clause 24.7 shall not apply to:
   (i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 45 days of commencement; or
   (ii) any step or procedure contemplated in Clause 22.8.

h) Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a member of the Group having an aggregate value of US $10,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 30 days.

i) Failure to comply with court judgment or arbitral award

1. Any member of the Group fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.
2. No Event of Default under paragraph (a) above will occur if the aggregate liability under that judgment or order is less than US$10,000,000 (or its equivalent in any other currency or currencies) and is discharged within 45 days.

j) Unlawfulness and invalidity

1. It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Security Documents is not or ceases to be effective or does not or ceases to have the ranking and priority it is expressed to have.
2. Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
3. Any Finance Document is not or ceases to be in full force and effect or any Transaction Security is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

k) Repudiation and rescission of agreements

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

l) Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

m) Audit qualification

The auditors of the Group qualify the audited annual consolidated financial statements of the Borrower where such qualification has or is reasonably likely to have a Material Adverse Effect (or is a reasonable basis to determine that a Material Adverse Effect has occurred).

n) Litigation

Any litigation, arbitration, administrative, governmental, criminal, regulatory or other investigation, proceeding or dispute is commenced or threatened:

i. in relation to the Finance Documents or the transactions contemplated in the Finance Documents; or
ii. otherwise against any member of the Group or its assets (or against the directors of any member of the Group), which (in each case) is reasonably likely to be adversely determined and, if adversely determined, will have or is reasonably likely to have a Material Adverse Effect.

o) Expropriation

1. All or a substantial part of the shares of the Borrower are subject to any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person.
2. The authority or ability of the Borrower to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower or any of its assets (including the displacement of all or part of the management of the Borrower).

p) Convertibility/Transferability

Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in the Relevant Jurisdiction of the Borrower or that (in the opinion of the Majority Lenders):

i. has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that the Borrower may be required to make pursuant to the terms of any of the Finance Documents; or
ii. is materially prejudicial to the interests of the Finance Parties under or in connection with any of the Finance Documents.

q) Material Licences

1. Any Material Licence is terminated, cancelled, suspended or revoked (whether wholly or in part).
2. Any restrictions or conditions are imposed on any Material Licence (whether on renewal or otherwise) which has or is reasonably likely to have a Material Adverse Effect.
3. Any Material Licence is modified or varied in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.
4. Any Material Licence expires and is not renewed on substantially the same terms where such expiry or failure to renew has or is reasonably likely to have a Material Adverse Effect.

r) Moratorium

The government of India, RBI or any relevant Governmental Agency declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes Financial Indebtedness) owed by the Borrower (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes the Borrower or to the Borrower alone).

s) Material adverse change

Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

t) Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:

I. by notice to the Borrower:

(i) without prejudice to the participation of any Lender in any Loans then outstanding: cancel each Available Commitment of each Lender (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero) and each Facility shall immediately cease to be available for further utilisation; or cancel any part of any Available Commitment (and reduce such Available Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Available

Commitment shall be immediately reduced accordingly) and the relevant Facility shall immediately cease to be available for further utilisation to the extent of such cancellation; and/or

(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;

(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

II. exercise or direct the Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

u) Major Default Event

Notwithstanding the provisions of Clause 24.20 (*Acceleration*), on and at any time after the occurrence of a Major Default Event which is continuing, any Lender (an "Instructing Lender") shall have the right to direct the Agent to take such action as set out in paragraph 24.20(a)(i) of Clause 24.20 (*Acceleration*) and/or direct the Agent to declare all of the Loan(s) (but not part), together with accrued interest and all other amounts accrued or outstanding under the Finance Documents immediately due and payable (pursuant to paragraph 24.20(a)(ii) of Clause 24.20 (*Acceleration*)) provided that the Instructing Lender gives the Agent and the other Lenders at least 5 Business Days' notice of its intention to so direct the Agent.

Bank of Baroda

<u>Prepayment Penalty:</u> Agreements do not have any provisions for prepayment penalty

<u>Rescheduling</u>: Agreements do not have any provisions for rescheduling.

<u>Events of default:</u>

Each of the events or circumstances set out in this Clause 21 is an Event of Default (save for Clause 22.20 (*Acceleration*)).

Non-payment

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within five Business Days of its due date.

It is hereby clarified that the failure to pay by the Borrower of the principal and/ or the interest thereon when due and payable under this Agreement shall result in a downgrade of the Borrower's loan account with each Lender from 'standard asset' to each category of 'special mention account' and subsequently to a "non-performing asset", as per the table set out below, in accordance with:

(a) the applicable laws of the Republic of India, including directions, notifications, circulars or regulations prescribed by the RBI;

(b) the RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7 June, 2019 on 'Prudential Framework for Resolution of Stressed Assets'; and

(c) instructions and guidance issued by RBI from time to time.

SMA Sub-categories Basis for classification

– Principal or interest

payment or any other
amount wholly or partly
overdue:
SMA-0 Up to 30 days
SMA-1 More than 30 days and up to 60 days
SMA-2 More than 60 days and up to 90 days
Non-performing asset (NPA) More than 90 days
The Parties note that SMA/NPA classification methodology is subject to instruction/guidance issued by RBI from time to time and an illustrative example of SMA/NPA classification dates is as follows:
(a) If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

(b) Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

Financial covenants and other obligations
(a) Any requirement of Clause 19 (*Financial covenants*) is not satisfied.
(b) Any requirement of Clause 20.15 (*Anti-corruption law*) or Clause 20.16 (*Sanctions*).
(c) The Borrower does not comply with any provision of any Security Document.

Other obligations
(a) The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and Clause 21.2 (*Financial covenants and other obligations*)).
(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the failure to comply.

Misrepresentation
(a) Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect (save that, where such representation or statement is qualified by reference to materiality or Material Adverse Effect, in any respect) when made or deemed to be made.
(b) No Event of Default under paragraph (a) above will occur if the misrepresentation or misstatement is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the misrepresentation or misstatement.

Cross default
(a) Any Financial Indebtedness is not paid when due nor within any originally applicable grace period.
(b) Any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
(c) Any commitment for any Financial Indebtedness is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

(d) No Event of Default will occur under this Clause 21.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US$10,000,000 (or its equivalent in any other currency or currencies).

Insolvency

(a) In case the borrower is:

(i) is unable or admits inability or is presumed or deemed to be unable to pay its debts as they fall due;

(ii) suspends or threatens to suspend making payments on any of its debts; or

(iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation of any member of the Group which is not the Borrower;

(ii) a composition, compromise, assignment or arrangement with any creditor;

(iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not the Borrower), receiver, judicial manager, administrative receiver, administrator, compulsory manager, provisional supervisor or other similar officer in respect of any of its assets; or

(iv) enforcement of any Security over any assets;

(v) the preparation of a resolution plan or restructuring for the Borrower or a member of the Group pursuant to RBI's Prudential Framework for Resolution of Stressed Assets dated 7 June 2019, as amended or replaced from time to time or any other guidelines or regulations issued or framework set up by the RBI or other competent authorities in relation to resolution of stressed assets or non-performing assets;

(vi) the Borrower by way of filing of an application by any "appropriate regulator" (as defined under the Insolvency and Bankruptcy Code of India, 2016, its rules and regulations or any other analogous law or regulation) for initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code of India, 2016 or any other analogous law or regulation;

(vii) initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of India (incorporated in India) (including filing of an insolvency resolution application before any National Company Law Tribunal of India); or any analogous procedure or step is taken in any jurisdiction.

(b) This Clause 21.7 shall not apply to:

(i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 45 days of commencement; or

(ii) any step or procedure contemplated in Clause 21.8

Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a member of the Group having an aggregate value of US$10,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 30 days.

Failure to comply with court judgment or arbitral award

(a) Borrower fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.

(b) No Event of Default under paragraph (a) above will occur if the aggregate liability under that judgment or order is less than US$10,000,000 (or its equivalent in any other currency or currencies) and is discharged within 45 days.

Unlawfulness and invalidity

(a) It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Security Documents is not or ceases to be effective or does not or ceases to have the ranking and priority it is expressed to have.

(b) Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.

(c) Any Finance Document is not or ceases to be in full force and effect or any Transaction Security is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

Repudiation and rescission of agreements

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

Litigation

Any material litigation, arbitration, administrative, governmental, criminal, regulatory or other investigation, proceeding or dispute is commenced or threatened which (in each case) is reasonably likely to be adversely determined and, if adversely determined, will have or is reasonably likely to have a Material Adverse Effect.

Expropriation

(a) All or a substantial part of the shares of the Borrower are subject to any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person.

(b) The authority or ability of the Borrower to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower or any of its assets (including the displacement of all or part of the management of the Borrower).

Convertibility/Transferability

Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in the Relevant Jurisdiction of the Borrower or that (in the opinion of the Majority Lenders):

(a) has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that the Borrower may be required to make pursuant to the terms of any of the Finance Documents; or
(b) is materially prejudicial to the interests of the Finance Parties under or in connection with any of the Finance Documents.

Material Licences
(a) Any Material Licence is terminated, cancelled, suspended or revoked (whether wholly or in part).
(b) Any restrictions or conditions are imposed on any Material Licence (whether on renewal or otherwise) which has or is reasonably likely to have a Material Adverse Effect.
(c) Any Material Licence is modified or varied in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.
(d) Any Material Licence expires and is not renewed on substantially the same terms where such expiry or failure to renew has or is reasonably likely to have a Material Adverse Effect.

Moratorium
The government of India, RBI or any relevant Governmental Agency declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes Financial Indebtedness) owed by the Borrower (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes the Borrower or to the Borrower alone).

Material adverse change
Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

Acceleration
On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:
(a) by notice to the Borrower:
(i) without prejudice to the participation of any Lender in the then outstanding: cancel each Available Commitment of each Lender (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero) and each Facility shall immediately cease to be available for further utilisation; or cancel any part of any Available Commitment (and reduce such Available Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Available Commitment shall be immediately reduced accordingly) and the relevant Facility shall immediately cease to be available for further utilisation to the extent of such cancellation; and/or
(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
(b) exercise or direct the Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

Major Default Event

Notwithstanding the provisions of Clause 21.19 (*Acceleration*), on and at any time after the occurrence of a Major Default Event which is continuing, any Lender (an "**Instructing Lender**") shall have the right to direct the Agent to take such action as set out in paragraph (a)(i) of Clause 21.19 (*Acceleration*) and/or direct the Agent to declare all of the Loans (but not part), together with accrued interest and all other amounts accrued or outstanding under the Finance Documents immediately due and payable (pursuant to paragraph (a)(ii) of Clause 19 (*Acceleration*)) provided that the Instructing Lender gives the Agent and the other Lenders at least 5 Business Days' notice of its intention to so direct the Agent.

Mizuho Bank Limited

<u>Prepayment Penalty:</u> Agreements do not have any provisions for prepayment penalty

<u>Rescheduling</u>: Agreements do not have any provisions for rescheduling.

<u>Events of default</u>

Each of the events or circumstances set out in this Clause 21 is an Event of Default (save for Clause 21.19 (*Acceleration*)).

21.1 **Non-payment**

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within three Business Days of its due date.

It is hereby clarified that the failure to pay by the Borrower of the principal and/ or the interest thereon when due and payable under this Agreement shall result in a downgrade of the Borrower's loan account with each Lender from 'standard asset' to each category of 'special mention account' and subsequently to a "non-performing asset", as per the table set out below, in accordance with:

(a) the applicable laws of the Republic of India, including directions, notifications, circulars or regulations prescribed by the RBI;

(b) the RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7 June, 2019 on 'Prudential Framework for Resolution of Stressed Assets'; and

(c) instructions and guidance issued by RBI from time to time.

SMA Sub-categories Basis for classification
– Principal or interest
payment or any other
amount wholly or partly
overdue:
SMA-0 Up to 30 days
SMA-1 More than 30 days and up to 60 days
SMA-2 More than 60 days and up to 90 days
Non-performing asset (NPA) More than 90 days

The Parties note that SMA/NPA classification methodology is subject to instruction/guidance issued by RBI from time to time and an illustrative example of SMA/NPA classification dates is as follows:

(a) If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

(b) Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

Financial covenants and other obligations

(a) Any requirement of Clause 19 (*Financial covenants*) is not satisfied.

(b) Any requirement of Clause 20.13 (*Anti-Terrorism, Anti-Money Laundering Laws and Economic Sanctions Laws*) is not satisfied.

(c) The Borrower does not comply with any provision of any Security Document.

Other obligations

(a) The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and Clause 21.2 (*Financial covenants and other obligations*)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the failure to comply.

Misrepresentation

(a) Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect (save that, where such representation or statement is qualified by reference to materiality or Material Adverse Effect, in any respect) when made or deemed to be made.

(b) No Event of Default under paragraph (a) above will occur if the misrepresentation or misstatement is capable of remedy and is remedied within 15 days of the earlier of (i) the Agent giving notice to the Borrower and (ii) the Borrower, becoming aware of the misrepresentation or misstatement.

Cross default

(a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness o f a n y memb e r o f t h e Gr o u p is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

(d) No Event of Default will occur under this Clause 21.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness of any member of the Group falling within paragraphs (a) to (c) above is less than US$10,000,000 (or its equivalent in any other currency or currencies).

Insolvency

(a) In case the Borrower:

(i) is unable or admits inability or is presumed or deemed to be unable to pay its debts as they fall due;

(ii) suspends or threatens to suspend making payments on any of its debts; or
(iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
(b) The value of the assets of is less than its liabilities (taking into account contingent and prospective liabilities).
(c) A moratorium is declared in respect of any indebtedness. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

Insolvency proceedings
(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation of any member of the Group which is not the Borrower;
(ii) a composition, compromise, assignment or arrangement with any creditor;
(iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not the Borrower), receiver, judicial manager, administrative receiver, administrator, compulsory manager, provisional supervisor or other similar officer in respect of any of its assets; or
(iv) enforcement of any Security over any assets;
(v) the preparation of a resolution plan or restructuring for the Borrower or a member of the Group pursuant to the Stressed Assets Framework;
(vi) the Borrower by way of filing of an application by any “appropriate regulator” (as defined under the Insolvency and Bankruptcy Code of India, 2016, its rules and regulations or any other analogous law or regulation) for initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code of India, 2016 or any other analogous law or regulation;
(vii) initiation of an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of India (incorporated in India) (including filing of an insolvency resolution application before any National Company Law Tribunal of India); or any analogous procedure or step is taken in any jurisdiction.
(b) This Clause 21.7 shall not apply to:
(i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 45 days of commencement; or

Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a member of the Group having an aggregate value of US$10,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 30 days.

Failure to comply with court judgment or arbitral award
(a) Borrower fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.
(b) No Event of Default under paragraph (a) above will occur if the aggregate liability under that judgment or order is less than US$10,000,000 (or its equivalent in any other currency or currencies) and is discharged within 45 days.

Unlawfulness and invalidity

(a) It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Security Documents is not or ceases to be effective or does not or ceases to have the ranking and priority it is expressed to have.

(b) Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.

(c) Any Finance Document is not or ceases to be in full force and effect or any Transaction Security is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

Repudiation and rescission of agreements

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

Cessation of business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

Litigation

Any material litigation, arbitration, administrative, governmental, criminal, regulatory or other investigation, proceeding or dispute is commenced or threatened which (in each case) is reasonably likely to be adversely determined and, if adversely determined, will have or is reasonably likely to have a Material Adverse Effect.

Expropriation

(a) All or a substantial part of the shares of the Borrower are subject to any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person.

(b) The authority or ability of the Borrower to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower or any of its assets (including the displacement of all or part of the management of the Borrower).

Convertibility/Transferability

Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in the Relevant Jurisdiction of the Borrower or that (in the opinion of the Majority Lenders):

(a) has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that the Borrower may be required to make pursuant to the terms of any of the Finance Documents; or

(b) is materially prejudicial to the interests of the Finance Parties under or in connection with any of the Finance Documents.

Material Licences

(a) Any Material Licence is terminated, cancelled, suspended or revoked (whether wholly or in part).

(b) Any restrictions or conditions are imposed on any Material Licence (whether on renewal or otherwise) which

has or is reasonably likely to have a Material Adverse Effect.
(c) Any Material Licence is modified or varied in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.
(d) Any Material Licence expires and is not renewed on substantially the same terms where such expiry or failure to renew has or is reasonably likely to have a Material Adverse Effect.

Moratorium
The government of India, RBI or any relevant Governmental Agency declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes Financial Indebtedness) owed by the Borrower (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes the Borrower or to the Borrower alone).

Material adverse change
Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

Acceleration
On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:
(a) by notice to the Borrower:
(i) without prejudice to the participation of any Lender in the then outstanding: cancel each Available Commitment of each Lender (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero) and each Facility shall immediately cease to be available for further utilisation; or cancel any part of any Available Commitment (and reduce such Available Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Available Commitment shall be immediately reduced accordingly) and the relevant Facility shall immediately cease to be available for further utilisation to the extent of such cancellation; and/or
(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
(iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
(b) exercise or direct the Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

Major Default Event
Notwithstanding the provisions of Clause 21.19 (*Acceleration*), on and at any time after the occurrence of a Major Default Event which is continuing, any Lender (an "**Instructing Lender**") shall have the right to direct the Agent to take such action as set out in paragraph (a)(i) of Clause 21.19 (*Acceleration*) and/or direct the Agent to declare all of the Loans (but not part), together with accrued interest and all other amounts accrued or outstanding under the Finance Documents immediately due and payable (pursuant to paragraph (a)(ii) of Clause 19 (*Acceleration*)) provided that the Instructing Lender gives the Agent and the other Lenders at least 5 Business Days' notice of its intention to so direct the Agent.

3. Cash Credit Working Capital Loans Working Capital Demand Loans Short Term Loans from Banks:

(₹ in crore, unless otherwise provided for)

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding	Repayment Schedule	Security*	Credit Rating
1	Standard Chartered Bank	100.00	-	On demand	Secured by 1.25 times general charge on receivables.	ICRA AA Stable
2	Union Bank (Earlier Andhra Bank)	50.00	50.00	On demand	First pari pasu charge by way of hypothecation on the standard assets of the borrower (excluding capital market loans) at 1.25 times of loan amount.	ICRA AA Stable
3	Punjab National Bank (Earlier Oriental Bank of Commerce)	50.00	50.00	On demand	First pari passu charge over standard loan receivables eligible for bank finance excluding capital market receivables with an asset cover of 1.25 times the loan amount.	ICRA AA Stable
4	RBL Bank Limited	275.00	200.00	On demand	First pari passu charge over standard loan receivables eligible for bank finance excluding capital market loans with an asset cover of 1.20 times.	ICRA AA Stable
6	IDFC First Bank	300.00	300.00	On demand	First pari passu charge on receivables. Security cover of 1.10 times of amount to be maintained.	CRISIL AA Stable & ICRA AA Stable
Total Principal Outstanding		**775.00790.00**	**600.00**			

Adjustments for:			
+ / -	Accrued Interest		-
+ / -	Effective Interest Rate		-
+ / -	Marked To Market		-
Total Amount Outstanding as per Ind AS			**600.00**

The assets charged against the above-mentioned facilities are standard assets.

** The above facilities are secured through creating of a first ranking pari passu charge in favor of Vistra*

ITCL (India) Limited through a security trustee arrangement entered into by the company, security Trustee and the lenders.

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 upto 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 upto 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 agency.

d) Penalty of upto 2% per annum in case of breach of terms and conditions of the loan agreements.

e) Penalty of upto 2% per annum in case of non-creation of security as per the loan agreements.

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) 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 into 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 into amalgamation, reorganisation 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 prejudicially or adversely affect in any manner the capacity of the Company 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.

4. ***Overdraft against Fixed Deposit ("ODFD") facility availed by our Company***

(₹ in crore, unless otherwise provided for)

Sr. No.	Bank	Amount Sanctioned	Amount outstanding	Repayment date schedule	Security	Credit Rating
1	HDFC Bank	330.80	112.91	On demand	Fixed Deposits of Rs. 375.57.	NA
2	RBL Bank	115.37	12.77	On demand	Fixed Deposits of Rs. 121.44.	NA
3	Canara Bank	190.00	185.07	On demand	Fixed Deposits of Rs. 200.00.	NA
4	Punjab National Bank	27.36	26.73	On demand	Fixed Deposits of Rs. 50.00.	NA
5	Indian Bank	270.00	270.08	On demand	Fixed Deposits of Rs. 300.00.	NA
Total Amount Outstanding		**933.53**	**607.56**			
Adjustments for :						
+ / -	Accrued Interest		0.05			
+ / -	Effective Interest Rate		-			
+ / -	Marked To Market		-			
Total Amount Outstanding as per Ind AS			**607.61**			

5. Secured Redeemable Non-Convertible Debentures

i. Public Issue of non-convertible debentures, as on September 30, 2024.

The Company has issued secured, redeemable, non-convertible debentures on a public issue basis, under various series of which ₹ 1,441.05 crore was cumulatively outstanding as on September 30, 2024, the details of which as on September 30, 2024, are set out below:

(₹ in crore, unless otherwise provided for)

S. No.	Debenture Series	ISIN	Amount Allotted/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
1	8.50% Secured, Not Guaranteed, Senior, Taxable, Non-Cumulative, Rated, Redeemable, Non-Convertible Public Issue Of Debentures Series – III	INE530B07146	92.68	October 14, 2021	October 14, 2024	8.50%	1096	CRISIL AA/Stable & BWR AA+/ Stable
2	Zero Coupon, Secured, Not Guaranteed, Senior, Taxable, Non-Cumulative, Rated, Redeemable, Non-Convertible Public Issue Of Debentures Series – VI	INE530B07153	56.64	October 14, 2021	October 14, 2024	Zero Coupon	1096	CRISIL AA/Stable & BWR AA+/ Stable
3	8.42% Secured, Not Guaranteed, Senior, Taxable, Non-Cumulative, Rated, Redeemable, Non-Convertible Public Issue Of Debentures Series - V	INE530B07161	143.26	October 14, 2021	October 14, 2026	8.42%	1826	CRISIL AA/Stable & BWR AA+/ Stable
4	8.75% Secured, Not Guaranteed, Senior, Taxable, Non-Cumulative, Rated, Redeemable, Non-	INE530B07179	133.90	October 14, 2021	October 14, 2026	8.75%	1826	CRISIL AA/Stable & BWR AA+/ Stable

S. No.	Debenture Series	ISIN	Amount Allotted/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Convertible Public Issue Of Debentures Series – VI							
5	Zero Coupon, Secured, Not Guaranteed, Senior, Taxable, Non-Cumulative, Rated, Redeemable, Non-Convertible Public Issue Of Debentures Series - VII	INE530B07187	26.84	October 14, 2021	October 14, 2026	Zero Coupon	1826	CRISIL AA/Stable & BWR AA+/ Stable
6	8.5% Secured Rated Listed Non-Convertible Debentures Redeemable Series I	INE530B07252	45.63	January 24, 2023	January 24, 2025	8.50%	731	CRISIL AA/Stable & ICRA AA/Stable
7	Secured Rated Listed Redeemable Non-Convertible Debentures Series II	INE530B07302	30.07	January 24, 2023	January 24, 2025	8.50%	731	CRISIL AA/Stable & ICRA AA/Stable
8	8.75% Secured Rated Listed Redeemable Non-Convertible Debentures Series III	INE530B07294	57.21	January 24, 2023	January 24, 2026	8.75%	1096	CRISIL AA/Stable & ICRA AA/Stable
9	Secured Rated Listed Redeemable Non-Convertible Debentures Series IV	INE530B07286	24.13	January 24, 2023	January 24, 2026	8.75%	1096	CRISIL AA/Stable & ICRA AA/Stable
10	8.65% Secured Rated Listed Redeemable Non-	INE530B07310Ine530b07310	157.24	January 24, 2023	January 24, 2028	8.65%	1826	CRISIL AA/Stable & ICRA AA/Stable

S. No.	Debenture Series	ISIN	Amount Allotted/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
	Convertible Debentures Series V							
11	9% Secured Rated Listed Redeemable Non-Convertible Debentures Series VI	INE530B07260	118.93	January 24, 2023	January 24, 2028	9.00%	1826	CRISIL AA/Stable & ICRA AA/Stable
12	Secured Rated Listed Redeemable Non-Convertible Debentures Series VII	INE530B07278	37.86	January 24, 2023	January 24, 2028	9.00%	1826	CRISIL AA/Stable & ICRA AA/Stable
13	8.35% Secured Rated Listed Redeemable Non-Convertible Debentures Series I Tranche II	INE530B07336	46.98	June 28, 2023	June 28, 2025	8.35%	731	CRISIL AA/Stable & ICRA AA/Stable
14	Secured Rated Listed Redeemable Non-Convertible Debentures Series II Tranche II	INE530B07393	14.24	June 28, 2023	June 28, 2025	8.35%	731	CRISIL AA/Stable & ICRA AA/Stable
15	8.5% Secured Rated Listed Redeemable Non-Convertible Debentures Series III Tranche II	INE530B07344	123.58	June 28, 2023	June 28, 2026	8.50%	1096	CRISIL AA/Stable & ICRA AA/Stable
16	Secured Rated Listed Redeemable Non-Convertible Debentures Series IV Tranche II	INE530B07351	8.91	June 28, 2023	June 28, 2026	8.50%	1096	CRISIL AA/Stable & ICRA AA/Stable

S. No.	Debenture Series	ISIN	Amount Allotted/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
17	8.65% Secured Rated Listed Redeemable Non-Convertible Debentures Series V Tranche II	INE530B07385	88.28	June 28, 2023	June 28, 2028	8.65%	1827	CRISIL AA/Stable & ICRA AA/Stable
18	9% Secured Rated Listed Non-Convertible Debentures Series VI Tranche II	INE530B07377	131.94	June 28, 2023	June 28, 2028	9.00%	1827	CRISIL AA/Stable & ICRA AA/Stable
19	Secured Rated Listed Redeemable Non-Convertible Debentures Series VII Tranche II	INE530B07369	37.52	June 28, 2023	June 28, 2028	9.00%	1827	CRISIL AA/Stable & ICRA AA/Stable
Total Principal Amount Outstanding			**1,375.84**					
Adjustments for:								
+ / -	Accrued Interest		87.41					
+ / -	Effective Interest rate		(22.21)					
+ / -	Marked to Market		-					
Total Amount Outstanding as per Ind AS			**1,441.04**					

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.

Penalty Clause

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.

Event of Default

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 effected, 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; or

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 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. Private Placement of non-convertible debentures as on September 30, 2024.

Our Company has issued on private placement basis, secured, redeemable, non-convertible debentures under various series of which ₹ 1,693.15 crore is outstanding as on September 30, 2024, the details of which are set forth below:

(₹ in crore, unless otherwise provided for)

S. No.	Debenture Name Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating at the time of issuance
1	8.33% Secured Rated Listed Senior Redeemable Non-Convertible Debentures. Series D13	INE530B07104	500.00	June 30, 2021	June 30, 2031	8.33%	3652	CRISIL AA/Stable
2	8.50% Secured Rated Listed Senior Redeemable Non-Convertible Debentures. Series D15	INE530B07195	10.00	January 21, 2022	January 21, 2032	8.50%	3,652	CRISIL AA/Stable
3	8.60% Secured Rated Listed Sinor Redeemable Non-Convertible Debentures. Series D16	INE530B07203	60.00	March 24, 2022	March 24, 2032	8.60%	3,653	ICRA AA/Stable &CRISIL AA/Stable
4	Secured Rated Listed Senior	INE530B07211	10.00	July 15, 2022	July 15, 2032	9.00%	3,653	ICRA AA/Stable &CRISIL

S. No.	Debenture Name Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating at the time of issuance
	Principle protected Market Linked Debentures Series D17.							AA/Stable
5	9.45% Secured Rated Listed Redeemable Non-Convertible Debentures Series D20	INE530B07237	137.50	November 01, 2022	November 01, 2029	9.45%	2,557	ICRA AA/Stable &CRISIL AA/Stable
6	9.45% Secured Rated Listed Redeemable Non-Convertible Debentures Series D20	INE530B07237	137.50	November 01, 2022	November 01, 2030	9.45%	2,922	ICRA AA/Stable &CRISIL AA/Stable
7	9.45% Secured Rated Listed Redeemable Non-Convertible Debentures Series D20	INE530B07237	137.50	November 01, 2022	November 01, 2031	9.45%	3,287	ICRA AA/Stable &CRISIL AA/Stable
8	9.45% Secured Rated Listed Redeemable Non-Convertible Debentures Series D20	INE530B07237	137.50	November 01, 2022	November 01, 2032	9.45%	3,653	ICRA AA/Stable &CRISIL AA/Stable
9	IIFL Finance Limited Series D25 9.50 NCD 20MR27 FVRS1lLAC	INE530B07401	500.00	March 20, 2024	March 20, 2027	9.50%	1,095	CRISIL AA/Stable
Total Principal Outstanding			**1630.00**					
+ / -	Accrued Interest		63.34					
+ / -	Effective Interest Rate		-0.19					
+ / -	Marked to Market		-					

S. No.	Debenture Name Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating at the time of issuance
Total Amount Outstanding as per Ind AS			**1693.15**					

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

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.

Event of Default

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 effected, 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 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 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.;

o) If, the Hypothecated Properties have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture Trustee further security should be given and on advising the Company to that effect, such security has not been given to the Debenture Trustee to their satisfaction, within 30 (thirty) days of such written advice being received by the Company;

p) If, without the prior written approval of the Debenture Trustee, 'the Hypothecated Properties or any part thereof is sold, disposed of, charged, encumbered or alienated, provided that, the prior approval of the Debenture Trustee shall not be so long as the Required Security Cover is maintained by the Issuer;

q) If, an attachment or restraint has been levied on the Hypothecated Properties or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company; or

r) If, in the opinion of the Debenture Trustee, the Security of the Debenture holders is in jeopardy and causes a Material Adverse Effect;

s) When the Company creates or attempts to create any charge on the Hypothecated Properties or any part thereof without the prior approval of the Debenture Trustee / Debenture Holders provided that, the prior approval of the Debenture Trustee shall not be so long as the Required Security Cover is maintained by the Issuer;

t) If the Security provided herein fails below the Required Security Cover and the Company fails to create additional security in accordance with the terms of this Deed.

iii. Securitization by way of Pass Through Certificate (PTC) Transactions as on September 30, 2024.

Our company has not raised funds by way of PTC Transaction as on September 30, 2024.

Collateralised borrowing and lending obligation

As on September 30, 2024 our outstanding collateralised borrowing and lending obligation amounts to Nil.

B. Details of Unsecured Borrowings:

Our Company's Unsecured borrowings amounts to ₹ 1623.82 crore as on September 30, 2024 on standalone basis. The details of the borrowings are set out below:

1. Unsecured loan facilities

As on September 30, 2024, the outstanding unsecured loan facilities amounts to Nil.

2. Commercial Papers

As on September 30, 2024, the outstanding face value of commercial papers amounts to Nil.

3. Loan from Directors and Relatives of Directors

Our Company does not have any borrowings from directors and relatives of directors as on September 30, 2024, which are in the nature of demand loans and are unsecured.

4. Subordinated Debts

i. Public Issue

Our Company has, vide public offering, issued unsecured, redeemable, non-convertible debentures under various series of which ₹ 768.29 crore is outstanding as on September 30, 2024, the details of which are set forth below:

(₹ in crore, unless otherwise provided for)

S. No.	Debenture Name/ Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
1	10% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V.	INE866I08279	30.77	February 7, 2019	February 07, 2029	10.00%	3653	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Stable

S. No.	Debenture Name/ Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
2	10.50% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series VI.	INE866I08295	15.45	February 07, 2019	February 07, 2029	10.50%	3653	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Stable
3	10% Unsecured, Not Guaranteed, Subordinate - Tier 2, Taxable, Non-Cumulative, Rated, Redeemable, Non- Convertible Public Issue Of Debentures Series – V	INE866I08303	25.93	September 06, 2019	June 06, 2025	10.00%	2100	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Stable
4	Zero Coupon, Unsecured, Not Guaranteed, Subordinate - Tier 2, Taxable, Rated, Redeemable, Non- Convertible Public Issue Of Debentures Series - VI	INE866I08311	5.78	September 06, 2019	June 06, 2025	Zero Coupon	2100	CRISIL AA/Stable, ICRA AA/Stable & BWR AA+/ Stable
5	10% Unsecured Rated Listed Redeemable Non-Convertible Debenture Series I.	INE530B08094	274.69	March 24, 2021	June 24, 2028	10.00%	2649	CRISIL AA/Stable & BWR AA+ Stable
6	9.6% Unsecured Rated Listed Redeemable Non-Convertible Debenture Series II.	INE530B08102	328.02	March 24, 2021	June 24, 2028	9.60%	2649	CRISIL AA/Stable & BWR AA+ Stable
7	Zero Coupon Unsecured Rated Listed Redeemable Non-Convertible Debenture Series III.	INE530B08110	68.14	March 24, 2021	June 24, 2028	Zero Coupon	2649	CRISIL AA/Stable & BWR AA+ Stable
Total Principal Amount Outstanding			**748.78**					

S. No.	Debenture Name/ Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Maturity Date	Coupon (p.a.) in %	Tenor Period (Days)	Credit Rating
Adjustment for:								
+ / -	Accrued Interest		30.97					
+ / -	Effective Interest Rate		-11.46					
+ / -	Marked to Market		-					
Total Amount Outstanding as per Ind AS			**768.29**					

Penalty Clause

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.

Event 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 effected, 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 Unsecured Debentures; and

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.

ii. **Private Placement**

Our Company has issued on private placement basis, unsecured, redeemable, non-convertible debentures under various series of which ₹ 522.48 crore is cumulatively outstanding as on September 30, 2024, the details of which are set forth below:

(₹ in crore, unless otherwise provided for)

S. no.	Debenture Name/ Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) In %	Tenor (Days)	Credit Rating at the time of Issuance
1	8.70% Non-Convertible Debentures series U-03 of Face value ₹1,000,000 Each	INE866I08246	100.00	November 21, 2017	November 19, 2027	8.70%	3650	ICRA AA/Stable & CRISIL AA/Stable

S. no.	Debenture Name/ Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) In %	Tenor (Days)	Credit Rating at the time of Issuance
2	9.35% Redeemable Non-Convertible Debentures. Series D16	INE530B08128	50.00	March 24, 2022	March 24, 2032	9.35%	3653	ICRA AA/ Stable &CRISIL AA/ Stable
3	9.65% Unsecured Non-Convertible Debentures of Face value ₹1,00,00,000	INE530B08136	125.00	July 26, 2022	July 26, 2032	9.65%	3653	ICRA AA/ Stable &CRISIL AA/ Stable
4	9.65% Unsecured Non-Convertible Debentures of Face value ₹1,00,00,000	INE530B08136	80.00	September 09, 2022	July 26, 2032	9.65%	3608	ICRA AA/ Stable &CRISIL AA/ Stable
5	9.65% Unsecured Non-Convertible Debentures of Face value ₹1,00,00,000 Each	INE530B08136	30.00	November 04, 2022	July 26, 2032	9.65%	3552	ICRA AA/ Stable &CRISIL AA/ Stable
6	9.45% Unsecured Rated Listed Redeemable Non-Convertible Debentures Series D22	INE530B08144	35.00	December 27, 2022	December 27, 2032	9.45%	3653	ICRA AA/ Stable &CRISIL AA/ Stable
7	9.45% Unsecured Rated Listed Redeemable Non-Convertible Debentures Series D22	INE530B08144	30.00	March 31, 2023	December 27, 2032	9.45%	3559	ICRA AA/ Stable &CRISIL AA/ Stable

S. no.	Debenture Name/ Series	ISIN	Allotted Amount/ Principal Amount outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) In %	Tenor (Days)	Credit Rating at the time of Issuance
8	9.20% Unsecured Rated Listed Redeemable Subordinate Tier 2 Non-Convertible Series D24	INE530B08151	35.00	May 08, 2023	May 08, 2033	9.20%	3653	ICRA AA/ Stable &CRISIL AA/ Stable
Total Principal Outstanding			**485.00**					
Adjustments for:								
+ / -	Accrued Interest		38.72					
+ / -	Effective Interest Rate		-1.24					
+ / -	Marked to Market		-					
Total Amount Outstanding as per Ind AS			**522.48**					

Penalty Clause

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.

Event 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 effected, 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 Unsecured Debentures; and

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. Rupee Denominated Bonds

Our Company has issued rupee denominated bonds of face value of ₹ 10,000,000 each of which ₹ 325.00 crore is cumulatively outstanding as on September 30, 2024, the details of which are set forth below:

(₹ in crore, unless otherwise provided for)

S. No.	Name/ Series	Principal Amount Outstanding	Date of Allotment	Redemption Date	Coupon (p.a.) in %	Tenor (Days)	Rating
1	9.00% Rupee denominated bond of face value ₹10,000,000 each at par.	325.00	June 28, 2018	June 28, 2028	9.00%	3653	NA
Total Principal Outstanding		**325.00**					
Adjustments for:							
+ / -	Accrued Interest	8.05					
+ / -	Effective Interest Rate	-					
+ / -	Marked to Market	-					
Total Amount Outstanding as per Ind AS		**333.05**					

Prepayment penalty

1.0% percent of prepayment between 60 to 90 months from the deemed date of allotment.

0.5% Percent of prepayment between 90 months from the deemed date of allotment to date to redemption.

In case revised interest rate is not acceptable, then issuer has the option to call back whole / any part of the RDB subject to approval by RBI.

In case of illegality, the RDB holder may require prepayment of RDBs. In case of change in control, subject to applicable laws and regulatory approvals, the RDB holder may by not less than 5 Business days' notice require prepayment of RDBs.

Events of Default

Each holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Note held by it to be immediately due and payable and such Note accordingly shall become immediately repayable at its principal amount, together with accrued interest to the date of repayment, on the occurrence of any of the following events (each, an Event of Default):

a) If default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them, unless the failure to pay is caused by administrative or technical error and payment is made within two Business Days of its due date; or

b) If the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 14 days next following the service by any of the Noteholders on the Issuer of notice requiring the same to be remedied; or

c) If the Issuer fails to make any payment in respect of any Indebtedness for borrowed money on the due date for payment; provided that no event described in this Condition 9.1(ce) shall constitute an Event of Default unless the relevant amount of Indebtedness for borrowed money due and unpaid, either alone or when aggregated without duplication) with other amounts of Indebtedness for borrowed money due and unpaid, amounts to at least ₹ 100,000,000 (or its equivalent in any other currency); or

d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of the Permitted Restructuring or any other reorganisation on terms previously approved in writing by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders; or

e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of the Permitted Restructuring or any other reorganisation on terms previously approved in writing by an Extraordinary Resolution of the Noteholders, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

f) the Issuer is declared by a competent court or other authority insolvent or bankrupt or is unable to pay its debts or stops, suspends or threatens to stop or suspend payment of all or a material part off its debts as they mature or applies for or consents to or suffers the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed in relation to the issuer or as the case maybe in relation to the whole or any substantial part of the undertaking or assets of the issuer or a distress execution attachment sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the issuer and in any such case (other than appointment of an administrator) is not stayed or discharged within 45 days; or

g) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

h) a moratorium (which expression shall not include any deferral of principal originally contemplated and made in accordance with the terms of any loan or other financing related agreement) is agreed or declared by the Issuer in respect of any Indebtedness for borrowed money (including any obligations arising under guarantees) of the Issuer or any of its Subsidiaries; or

i) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or

j) a breach by the Issuer or any of its Subsidiaries of the environmental, social and business integrity requirements set forth in Schedule B hereto; or

k) a breach by the Issuer or any of its Subsidiaries of Sanctions Laws; or

l) any merger or consolidation involving the Issuer adversely impacting the rights of the Noteholders; or

m) any material disposal of assets otherwise than in ordinary course of the Issuer's business; or

n) any withdrawal of a credit rating or a credit rating downgrade by two notches (i.e. lower than A+ level by either CARE Ratings or ICRA Limited or a similar agency)

o) If any representation or warranty contained in schedule A is found to be incorrect in any material respect; or

p) If default is made in the payment to CDC group plc of the fee as set out in clause 3.5 of the placement agreement; or

q) If the issuer fails to perform its reporting obligations as set out in the clause 3.6 of the placement agreement; or

r) If any event occurs which, under the laws of any relevant jurisdiction, has or may have, an analogous effect to any of the events referred to in subparagraphs (d) to (g) inclusive.

C. Details of any inter-corporate loans, deposits and other borrowings

Sr. No.	Lender's Name	Date of disbursement	Rate of Interest	Maturity date	Amount outstanding as on September 30, 2024
Nil					

D. Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

As on the date of this Draft Shelf Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any kind of term loan, debt securities, commercial papers (including technical delay) or other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer in the preceding three years and current financial year.

E. Letter of Comfort

List of Letter of Comfort ("LOCs") issued by the Company as on September 30, 2024: Nil

F. The amount of corporate guarantee issued by the company along with the name of the counter party on behalf of whom it has been issued

The Company has issued corporate guarantee on behalf of IIFL Home Finance Limited as on September 30, 2024, the details of which are set out below:

Company Name – IIFL Home Finance Limited

(₹ in crore, unless otherwise provided for)

Bank name	Nature of Facility	Amount Sanctioned	Amount Guaranteed
National Housing Bank	Term Loan	1,565.00	348.39
State Bank of India	CC / WCDL	20.00	20.00
Total		**1,585.00**	**368.39**

G. List of top 10 debenture holders (secured and unsecured) as on September 30, 2024:

Sr. No.	Name of Holder	Category of holder	Face Value of NCDs (₹ per unit)	Amount (₹ in crore)	%
1	Life Insurance Corporation of India	Insurance Company	10,00,000	1,050.00	23.00%
2	HWIC Asia Fund Class E Shares	FPI	1,00,000	500.00	10.95%
3	CDC Group Plc	Body Corporate	1,00,00,000	325.00	7.12%
4	HVPNL Employees Pension Fund Trust	Trust	1,00,00,000	180.00	3.94%
5	Visakhapatnam Steel Project Employees Provident Fund Trust	Trust	1,00,00,000 1,000	80.00 30.00	2.41%
6	RBL Bank Limited	Bank	10,00,000	100.00	2.19%
7	ICICI Prudential Life Insurance Company Limited	Insurance Company	1,000	100.00	2.19%
8	HVPNL Employees Provident Fund Trust	Trust	10,00,000 1,00,00,000	50.00 30.00	1.75%
9	Indian Oil Corporation Ltd (Refineries	Trust	10,00,000	65.00	1.42%

Sr. No.	Name of Holder	Category of holder	Face Value of NCDs (₹ per unit)	Amount (₹ in crore)	%
	Division) Employees Provident Fund				
10	HPGCL Employees Pension Fund Trust	Trust	1,00,00,000	62.00	1.36%

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

Sr. No.	Name of the CP holder	Category of the CP Holder	Face value of CP holding *(₹)*	Amount of CP holding (cumulative) *(₹ in crore unless otherwise stated)*	CP holding % as a % of total CP outstanding of the issuer
Nil					

I. Details of any outstanding borrowings taken, debt securities issued where taken or 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.

For the Point (C), our Company has issued the following NCDs having embedded option in it:

(₹ in crore, unless otherwise provided for)

Sr. No.	Particulars	Date of Allotment	ISIN	Coupon	Date of Maturity	Call option period	Allotted Amount/ Principal Amount Outstanding
1	10% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series V of Face Value of ₹ 1,000 at par.	February 07, 2019	INE866I08279	10.00%	February 07, 2029	66 Months from Date Of Allotment. Ex Aug 07, 2024	30.97
2	10.50% Unsecured Rated Listed Redeemable Non-Convertible Debenture. Series VI of Face Value of ₹ 1,000 at par.	February 07, 2019	INE866I08295	10.50%	February 07, 2029	66 Months from Date Of Allotment Ex-07-Aug-24	16.50
Total							**47.47**

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. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on September 30, 2024

Our Company does not have any other borrowings including hybrid debt instruments, such as foreign currency convertible bonds or convertible debentures and preference shares, as on September 30, 2024.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Threshold (as defined hereinafter below), each involving our Company, Directors, Subsidiary Companies, group companies or Promoter.

*Effective from July 27, 2023, the Board of Directors of our Company has adopted policy for determination of materiality for disclosure of events or information ("**Materiality Policy**"). Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with the resolution dated July 27, 2023 passed by the Board of Directors of our Company on 'Materiality Threshold'. Further, as on the date of this Draft 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, Subsidiaries (excluding IIFL Home Finance Limited, IIFL Samasta Finance Limited), Promoters, Directors, Group companies (excluding IIFL Capital Services Limited (Formerly IIFL Securities Limited), 360 One WAM Limited (formerly known as IIFL Wealth Management Limited), 360 One Prime Limited (earlier known as IIFL Wealth Finance Limited), 5Paisa Capital Limited), or any other person where the amount is ₹ 79.50 crore (being 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated 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 Draft 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.*

Further, 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 Draft Shelf Prospectus involving our Company and all of its Subsidiaries, any prosecutions filed (whether pending or not) involving our Company and all of its Subsidiaries, fines imposed, compounding of offences in the last three years immediately preceding the year of this Draft Shelf Prospectus involving our Company and all its Subsidiaries; (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 Draft Shelf Prospectus, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Draft Shelf Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Material litigations and regulatory actions involving our Company

(a) As on the date of this Draft Shelf Prospectus, following are material litigations in our Company:

Civil Litigations

By our Company

Except as disclosed below there are no civil cases filed by our Company:

1. Company application nos.222/2019 to 227/2019 dated May 22, 2019 were filed by our Company 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 our Company ('**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 Section17 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 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 March 7, 2019, on which, our Company 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 ₹ 75,11,60,700 towards stamp duty dated January 10, 2022 and thereafter confirmed the demand on February 3, 2022. Our Company filed an Appeal before the Chief Controlling Revenue Authority which was rejected vide order dated September 12, 2022 and issued a Demand Notice dated October 3, 2022. Subsequently, Our Company by way of a Writ Petition No. 12202 of 2022 filed before the Bombay High Court challenged the said Order dated September 12, 2022 and Demand Notice dated October 3, 2022. The matter is currently pending in court.

Against our Company

Except as disclosed below there are no civil cases against proceedings involving our Company:

1. A Securitisation Application No. 39 of 2021 was filed by Shattaf Construction Company Pvt Ltd ("**Guarantor**") before the Debt Recovery Tribunal, at Mumbai ("**DRT**") against India Infoline Finance Limited praying that the possession notice dated September 27, 2019, issued by India Infoline Finance Limited in relation to the alleged default in repayment of ₹51.18 crore by the Borrower, be declared null and void. The matter is currently pending.

2. Rakesh Sheth ("**Petitioner**") 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.

3. Amit Mavi has also filed a company petition no. 237 (MB)/2021 against our Company before NCLT Mumbai seeking an investigation in the affairs of our Company, a forensic audit to be conducted into the accounts and entries of our Company, and conduct an inspection and audit into the accounts of the IIFL entities. No interim reliefs have been granted. and the matter is pending before the tribunal.

4. 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.

5. NCLT Case no CP/153/2017 was filed by Dnyaneshwar S. Malvankar and Ors. of Akshay Developers Sion Pvt Ltd (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.

6. 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.

Criminal Litigations

By our Company

1. Our Company 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.

2. Our Company 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.

Against our Company

1. 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 the pledged 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 adjourned and the interim relief is extended until further orders.

2. A first information report ("**FIR**") no. 77/19 dated March 4, 2019 was lodged by Vijay Baniranka at Kothwali Police Station, Ranchi against IIFL and its employees ("**Accused**"), under Sections 420/467/468/471/409/120(B) of the Indian Penal Code, 1860, alleging inter-alia, cheating and criminal breach of trust for not returning the pledged gold. The matter is under investigation.

3. A FIR 541/2018 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 Ltd., Nirmal Jain, Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Ltd. ("**IIFL**") did not reduce the EMI amount despite he had repaid substantial loan amount and that without his permission a co-borrower and the IIFL settled the arbitration proceedings for ₹ 70,000 and released the mortgaged property without his permission. He further alleged that IIFL misused his blank cheques given as security and filed false complaints under Section 138 of the Negotiable Instruments Act, 1881 in 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 ("**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 one 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, our Company and its directors at Chembur police station alleging that our Company along with IIFL Facilities Limited 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.

5. 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 our Company, 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 JE Marketing. Further, JE Marketing availed a secured loan facility from our Company 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 the Company.

6. A first information report ("**FIR**") no. 0143 dated August 02, 2019 was filed by Vinay Jain ("**Complainant**") before economic offences wing, Delhi against our Company, Nirmal Bhanwarlal Jain, Venkataraman Rajamani and other persons ("**Accused**") under Sections 420,465,468,471,120B of the Indian Penal Code, 1860. The Police concluded the investigation and filed the closure report.

7. A criminal complaint CR No. 1018/2022 was filed by Shailesh Shridhar Kadam against IIFL Finance Limited and others ("**Accused**") of defamation and a case has been file before the Judicial Magistrate First Class, District - Thane Court Thane. A police investigation was conducted and the Accused were not found guilty. Thereafter the investigation was closed. The investigation report is pending to be filed by the investigation officers.

(i) Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

1. Our Company has filed 6,340 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, involving an amount of approximately ₹70.87 crore. The cases are pending before various courts at various stages of adjudication.

(ii) Gold Loan cases

a. In relation to our gold loan portfolio, the Company has lodged 108 first information reports ("**FIRs**") 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, involving a cumulative amount of ₹ 97.6 crore. The said FIRs are under investigation by various police stations and pending trials.

b. In relation to our gold loan portfolio, 10 first information reports ("**FIRs**") have been lodged by various borrowers against our Company for offences under Sections 34, 120, 120B, 294, 406, 409, 418, 420, 468, of Indian Penal Code, 1860. The said FIRs are under investigation by various police stations and pending trials.

c. In relation to our gold loan portfolio, the Company has filed 16 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.

(iii) Legal or regulatory actions taken by statutory or regulatory authorities against our Company:

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 ₹.7.6 lakh 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 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. We have and we will respond to any further queries from SEBI.

3. An inspection of our Company 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 our gold loans. Our Company, however, was permitted to continue service our existing gold loan portfolio through usual collection and recovery processes. RBI, by way of its subsequent letter dated September 19, 2024, has lifted the restrictions imposed on our gold loan business and that we are allowed to offer gold loans.

4. Pursuant to Regulation 30 and 51 of the Listing Regulations (as amended from time to time) read with Para A of Part A of Schedule III of the Listing Regulations, IIFL Finance Limited had received an email dated June 28, 2024 imposing penalty of ₹ 94,400 each, from the Stock Exchanges on which IIFL is listed, i.e. BSE and NSE, regarding penal action for non-compliance as per SEBI Circular w.r.t. non-submission of the financial results within stipulated timelines prescribed under Listing Regulations. IIFL paid the said penalty on June 29, 2024 and reported that there is no material impact on the financials, operations, or other activities of the Company.

2. Material litigations involving our Subsidiary Companies as on the date of this Draft Shelf Prospectus

(a) IIFL Home Finance Limited ("IIHFL") (Formerly India Infoline Housing Finance Limited)*
**** Materiality threshold for IIHFL is ₹ 10.26 crore for the purpose of disclosure of material civil litigations***

Material Civil Litigation by IIHFL

As on the date of the Draft Shelf Prospectus, there are no material civil litigations pending by IIHFL.

Material Civil Litigation against IIHFL

As on the date of the Draft Shelf Prospectus, there are no material civil litigations pending against IIHFL.

Criminal proceedings against IIHFL

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 IIHFL alleging that fraud was committed against him. The complainant availed loan from our IIHFL for the purchase of the property and IIHFL is asked to present the transaction documents to support the investigation. The matter is currently pending.

2. Borrowers of IIHFL 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 Harshad Ganesh Kachhara, Royal Heritage Builders Colonizers Infrastructure Private Limited, A.R Casting Pvt Ltd, Ranjeet Bhardwaj, Prabhat Kumar, Vijay Pratap Singh, M/S Orbit Foods Inc, Indrashis Sinha, MRG Auto Pvt. Ltd., Ishwar Dass, Kajal Gupta and Anita Dhiman. 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 541/2018 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

Ltd., Nirmal Jain, Venkatararaman Rajamani and others independent directors alleging that India Infoline Finance Ltd. ("**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 ₹ 70,000 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 IIHFL 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. This 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 crore 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 of 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 showing 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 arisen 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 of 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 in 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. Ltd. 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.

Criminal proceedings by IIHFL

1. First information report dated February 1, 2017 was lodged by IIHFL 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 IIHFL 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 IIHFL. Subsequently, IIHFL 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 IIHFL contesting the matter. Further, IIHFL has sold the secured asset as per the provisions of SARAFESI Act. The matter is pending investigation.

2. A first information report dated April 6, 2016 was filed by IIHFL at the Ashok Nagar Police Station, Bengaluru, against Tanveer Pasha and other co-borrowers ("**Accused**") alleging, inter alia, cheating and criminal breach of trust under Sections 420, 465, 467 and 468 of the Indian Penal Code, 1860. It was alleged that the Accused had conspired with certain builders to cause a loss to IIHFL by way of wrongfully inducing IIHFL to disburse a loan in their favour. The claim involved in the matter is ₹1.18 crore. The matter is pending investigation.

3. A first information report dated September 10, 2015 was lodged by IIHFL 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 IIHFL 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 IIHFL 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 IIHFL 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 IIHFL 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 IIHFL at the Malad Police Station, District Mumbai under Sections 448,427 and 34 of the Indian Penal Code, 1860 against Subir Chakrabourty and other co-borrowers and also at the Jahangirabad Police Station under Section 448 of the Indian Penal Code, 1860, against Ramesh Bachhani ("**Accused**"), alleging inter alia, trespassing and damaging the mortgaged property. It was alleged that the Accused had conspired to cause a loss to IIHFL. Chargesheet has been filed by police.

6. A first information report dated October 21, 2019 ("**FIR**") was registered by IIHFL at Kotwali Police Station, Kanpur City against Rajveer Singh Bhaduria 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. 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 IIHFL who had conspired to cause loss to IIHFL. Matter is pending for investigation and filing of chargesheet.

8. A first information report no. 266/20 dated June 11, 2020 was registered by IIHFL 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 IIHFL. The matter is under investigation.

9. A first information report dated January 27, 2021 was registered by IIHFL at the Udyog Vihar Police Station, Gurugram against Ashok Kumar and other 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 IIHFL. IIHFL had disbursed a loan of ₹ 2.25 crore in favour of the Accused. The matter is under investigation.

10. A first information report 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 IIHFL in the ordinary course of its business, in relation to its home loan/loan against property portfolio. The complaint is under investigation.

11. First information report 316/2023 dated October 18, 2023 was lodged under sections 448,427,379 r/w 34 IPC by IIHFL 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 who criminally trespassed in to a house which was seized by the IIHFL authorities by damaging the sealed and locks and living there without prior permission from the bank authorities.

12. IIHFL 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. IIHFL 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. IIHFL 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 and 4 of Impugned Order. This property is mortgaged with IIFHL through LAN-715487 & 771626. The matter is pending before the PMLA Court, Delhi. The matter is currently pending adjudication.

Cases filed by IIHFL under Section 138 of the Negotiable Instruments Act, 1881

IIHFL has filed 15,934 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 IIHFL is approximately ₹ 244.79 crore. The matters are pending before the courts at various stages of adjudication.

Tax proceedings:

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

Actions Taken by Regulatory and Statutory Authorities against IIHFL

Except as stated below, there are no actions initiated against IIHFL by statutory or regulatory authorities, as on the date of this Draft Shelf Prospectus:

1. A show cause notice was served by National Housing Bank ("**NHB**") to IIHFL dated January 10, 2018, that the IIHFL 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. IIHFL 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 IIHFL. IIHFL has not received any further communication on this matter.

2. A show cause notice was served by National Housing Bank ("**NHB**") to IIHFLdated 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. IIHFL 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 IIHFL have submitted a 'separate report to the board of directors of IIHFL on the matters specified in Para 3 and 4' of the subject Directions along with the auditors report. IIHFL has not received any further communication on this matter.

3. A show cause notice was served by National Housing Bank ("**NHB**") to IIHFLdated 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 IIHFL on case-to-case basis either based on customer request or it was proactively offered by IIHFL to select customers. IIHFL 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. IIHFL 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.

(b) IIFL Samasta Finance Limited ("IIFL Samasta")*

Materiality threshold for IIFL Samasta is ₹ 11.36 crore for the purpose of disclosure of material civil litigations

Material Civil Litigation involving IIFL Samasta

As on the date of this Draft shelf Prospectus, there are material outstanding civil litigations involving IIFL Samasta.

Criminal Proceedings by IIFL Samasta

1. A criminal appeal has been filed by IIFL Samasta before the Karnataka High Court under section 378(4) of the Code of Criminal Procedure, 1973. The appeal has been filed 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.

2. IIFL Samasta has lodged 258 first information reports with amount involving about ₹ 3.70 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.

Cases filed by IIFL Samasta under Section 138 of the Negotiable Instruments Act, 1881

1. IIFL Samasta has filed 1051 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 ₹ 16.44 crore. The matters are pending before the courts at various stages of adjudication.

Tax proceedings

There are no outstanding tax proceedings involving IIFL Samasta which are above its materiality threshold of ₹ 11.36 crore.

Pending actions by statutory or regulatory authorities against IIFL Samasta

1. A case having CC No. 1906/2020 is filed against Samasta, for non-compliances under Section 16(3) of the Shops and Establishments Act, 1963 and Rule 11(1), Rule 12(1), Rule 21 and Rule 30 of the W.B. Rules, 1964. The matter is filed with Additional Chief Judicial Magistrate, Rampurhat and is currently pending.

(c) IIFL Home Finance Sales Limited ("IIHFL Sales")

There are no material outstanding civil litigations and outstanding criminal litigations involving IIHFL Sales. Further, there are no outstanding statutory or regulatory proceedings against IIHFL Sales.

Tax proceedings

There are no outstanding tax proceedings involving IIHFL Sales.

(d) IIFL Open Fintech Private Limited ("IIFL Open Fintech")

There are no material outstanding civil litigations and outstanding criminal litigations involving IIFL Open Fintech. Further, there are no outstanding statutory or regulatory proceedings against IIFL Open Fintech.

Tax proceedings

Nil

3. Material litigation or legal or regulatory actions involving our Promoter as of the date of this Draft Shelf Prospectus

Material litigation involving our Promoter as on the date of this Draft Shelf Prospectus

The material litigation involving promoters of the Company (being Nirmal Jain and R Venkataraman) are covered in section *"Outstanding Litigations"* on page 323 of this Draft Shelf Prospectus.

4. Material litigations involving our Directors as on the date of this Draft Shelf Prospectus

(i) Civil litigation

Except as stated hereinbelow, and under "*As on the date of this Draft Shelf Prospectus, following are material litigations in our Company - Civil Cases - Against our Company*", there are no other litigations involving the 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 IIFL 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.

2. Amit Mavi has also filed a company petition no. 237 (MB)/2021 against our Company before NCLT Mumbai seeking an investigation in the affairs of our Company, a forensic audit to be conducted into the accounts and entries of our Company, and conduct an inspection and audit into the accounts of the IIFL entities. No interim reliefs have been granted. and the matter is pending before the tribunal.

3. 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 Finance Limited (Formerly IIFL Holdings Limited) and NSEL, claiming (a) an amount of ₹ 76.00 million along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹ 37.85 million and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. 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) pray for injunction restraining IICL from using ₹ 113.85 million 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. The total amount involved in the matter is ₹ 113.85 million. IICL received the summons on September 12, 2018. The matter is yet to be admitted.

(ii) Criminal litigation

Except as stated hereinbelow, and under "*As on the date of this Draft Shelf Prospectus, following are material litigations in our Company - Criminal Cases - Against our Company*", there are no other litigations involving the 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 ISL ("**Accused Persons**") 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 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 ISL 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 Indian Penal Code, 1860, 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, Mr. Dilip Vaidya has filed a Quashing Petition before Kolkata High Court and stay granted.

3. 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 one Mr. 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.

4. A criminal complaint having complaint number 81/ 2023 was filed by ex-employee Mr. Sekendar Ali Shah against Nirmal Jain and ors before the Additional Chief Judicial Magistrate, Durgapur for non-issuance of reliving letter by the company. The matter is currently pending before the court.

5. 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 IIFL Securities Limited), its directors and others before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi. IIFL Capital Services Limited (Formerly IIFL Securities Limited) ("**ICSL**") 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 ICSL. GHCL ESOP alleged that the outstanding amount is incorrect and that in place of refunding the difference amount, ICSL allegedly asked to clear the debits of other company failing which ICSL 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 pending.

6. Criminal application Cr. M.A No. 1826 of 2022 filed by Sanjeev Kumar Singh before J.M.F.C, Thane alleging higher loan being disbursed and higher EMI amount deducted than the amount agreed to. Court order passed directing Kasarwadi Police Station to register an FIR and investigate the matter. Criminal Writ Petition No WP/2616/2023 filed on 28-July-2023 for quashing the FIR is pending before Hon'ble High Court of Bombay.

7. 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. The matter is currently pending.

8. An FIR having FIR No. 408/2023 u/s 420 and 406 of the Indian Penal Code was registered upon the complaint of Mr. Subodh Sanghi (Borrower of IIFL Home Finance) at Police station Chaitanyapuri against India Infoline Home Finance Limited and its Directors, Mr. R. Venkataraman & S Sridhar Sir. IIFL Home Finance are in the process of filing a quashing petition against the same.The matter is current under investigation.

9. 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 IIFL Commodities Limited ("**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 Mr. Nirmal Jain as an accused. MPID Court vide its Order allowed the application and issued the summons. Against, the said order, Mr. 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.

Tax proceedings

Nil

5. Litigations involving group companies

Except as disclosed below there are no litigations involving our group companies:

(a) IIFL Capital Services Limited (Formerly IIFL Securities Limited)* ("ICSL")
***** *Materiality threshold for ICSL is ₹ 33.99 crore for the purpose of disclosure of material civil litigations.*

(i) 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 ISL, alleging unauthorized sale of shares by ISL. 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 ISL 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) ISL 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 ISL should be released to GHCL immediately or the present-day value of the same i.e., ₹1.41 crore should be paid to it. ISL 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 ISL 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 ISL 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 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 ISL. 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 ISL 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 ICSL, 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.

(ii) 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 ISL, alleging unauthorized sale of shares by ISL. 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 ISL 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) ISL 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 ISL should be released to GHCL immediately or the present-day value of the same i.e., ₹1.41 crore should be paid to it. ISL 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 ISL 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 ISL 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 ₹30,29,49,793 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 Court has directed issue of notice to the respondent

and publication of notice. The matter is currently pending.

(iii) Criminal proceedings against ICSL

1. A summons received by ICSL on November 24, 2008 ("**Complaint**") was filed by GHCL Employees Stock Option Trust ("**GHCL ESOP Trust**") under the Indian Penal Code, 1860, before the Court of Additional Chief Judicial Magistrate, Patiala House Court, New Delhi ("**Lower Court**") against ICSL. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ICSL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ICSL informed the GHCL ESOP Trust of its outstanding debit of ₹10.48 crore and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 10.48 crore had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹10.22 crore; and (b) alleged that ICSL instead of refunding the difference amount of ₹25.2 lakhs asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ICSL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. A summons order dated September 27, 2008 ("**summons order**") was passed by the Lower Court, summoning ICSL to face trial for the offences under the provisions of the Indian Penal Code, 1860. ICSL filed a petition in the Delhi High Court ("**Petition**") on March 22, 2009 challenging the Summons order. The Delhi High Court by its order dated December 14, 2009 quashed and set aside the Complaint and the summons order as against ICSL. GHCL ESOP Trust filed an Appeal before the Supreme Court against the order of the Delhi High Court on March 11, 2010. By its order dated March 22, 2013, the Supreme Court confirmed the order of the Delhi High Court and held that no offence of cheating is made out against ICSL and the matter is presently pending before the Lower Court against ICSL.

2. A complaint dated July 12, 2011 was filed by Sushama Agarwal before Chief Judicial Magistrate, Meerut, against ICSL 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. ICSL 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 case is presently pending before the Allahabad High Court for hearing.

3. 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.

4. 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.

5. 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.

6. 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.

7. A Complaint received by ICSL on December 9, 2012 was filed by Arunava Patra before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal, against IIFL, ICSL, its directors Nirmal Bhanwarlal Jain, Venkataraman Rajamani and others under Sections 406 and 120B of the Indian Penal Code, 1860, 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. ICSL filed a writ petition dated April 10, 2015 ("Petition") 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 and we are in the process of preferring an appeal. The matter is presently pending before the Chief Metropolitan Magistrate, Paschim Medinipur, West Bengal.

8. 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. A discharge application filed by ICSL and the matter is presently pending before the 19th Court, Esplanade, Mumbai for hearing.

9. 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.

10. 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.

11. A summons dated May 11, 2023 received by ICSL in Complaint ("**Complaint**") was filed by GHCL Employees Stock Option Trust ("**GHCL ESOP Trust**") under the Indian Penal Code, 1860, before Metropolitan Magistrate, Patiala House Courts, New Delhi ("**Lower Court**") against ICSL & its directors namely Mr. Nirmal Jain, Mr. Venkatraman Rajamani Mr. Nilesh Vikamsey, Mr. A. K. Purwar, Mr. Kranti Sinha & Mr. Nimesh Mehta. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ICSL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ICSL informed the GHCL ESOP Trust of its outstanding debit of ₹104.80 million and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 104.80 million had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹102.28 million; and (b) alleged that ICSL instead of refunding the difference amount of ₹2.52 million asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ICSL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. The directors of ICSL are in process of preferring writ petition before High Court of Delhi against the said Summons.

12. A summons dated May 11, 2023 received by ICSL in Complaint ("Complaint") was filed by GHCL Employees Stock Option Trust ("**GHCL ESOP Trust**") under the Indian Penal Code, 1860, before Metropolitan Magistrate, Patiala House Courts, New Delhi ("**Lower Court**") against ICSL & its directors namely Mr. Nirmal Jain, Mr. Venkatraman Rajamani Mr. Nilesh Vikamsey, Mr. A. K. Purwar, Mr. Kranti Sinha & Mr. Nimesh Mehta. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ICSL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ICSL informed the GHCL ESOP Trust of its outstanding debit of ₹104.80 million and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 104.80 million had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹102.28 million; and (b) alleged that ICSL instead of refunding the difference amount of ₹2.52 million asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ICSL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. The directors of ICSL are in process of preferring writ petition before High Court of Delhi against the said Summons.

13. A summons dated May 11, 2023 received by ICSL in Complaint ("**Complaint**") was filed by GHCL Employees Stock Option Trust ("**GHCL ESOP Trust**") under the Indian Penal Code, 1860, before Metropolitan Magistrate, Patiala House Courts, New Delhi ("**Lower Court**") against ICSL & its directors namely Mr. Nirmal Jain, Mr. Venkatraman Rajamani Mr. Nilesh Vikamsey, Mr. A. K. Purwar, Mr. Kranti Sinha & Mr. Nimesh Mehta. The trustees of the GHCL ESOP Trust had opened a dematerialized account with ICSL and continued purchasing shares through the dematerialized account. By its letter dated April 30, 2008, ICSL informed the GHCL ESOP Trust of its outstanding debit of ₹104.80 million and the existence of lien on the 2,046,195 shares purchased by it. In its response, GHCL ESOP Trust: (a) claimed that ₹ 104.80 million had been duly paid by it, and later it had noted that the correct amount, as reflected in its statement of account was ₹102.28 million; and (b) alleged that ICSL instead of refunding the difference amount of ₹2.52 million asked the GHCL ESOP Trust to clear the debits of five companies, and on failing to do so, ICSL sold 876,668 shares belonging to the GHCL ESOP Trust illegally and without any authorization. The directors of ICSL are in process of preferring writ petition before High Court of Delhi against the said Summons.

14. 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.

15. 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.

16. Muralidhar Vyas filed a petition u/s 482 of Cr.P.C. before High Court of Delhi against ICSL & Ors. seeking quashing of the summoning order passed by the Trial Court for the offence u/s 138 of NI Act.

17. Muralidhar Vyas filed a petition u/s 482 of Cr.P.C. before High Court of Delhi against ICSL & Ors. seeking quashing of the summoning order passed by the Trial Court for the offence u/s 138 of NI Act.

18. Muralidhar Vyas filed a petition u/s 482 of Cr.P.C. before High Court of Delhi against ICSL & Ors. seeking quashing of the summoning order passed by the Trial Court for the offence u/s 138 of NI Act.

19. Muralidhar Vyas filed a petition u/s 482 of Cr.P.C. before High Court of Delhi against ICSL & Ors. seeking quashing of the summoning order passed by the Trial Court for the offence u/s 138 of NI Act.

(iv) 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 Ltd, 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 Ltd. 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 presently pending for hearing before the said court.

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 presently pending for evidence.

4. A criminal revision dated December 22, 2016 was filed by ICSL before the District and Sessions Court, Hisar, against Tarun Malhotra for restoration of the complaint filed by ICSL for offence of, cheating, criminal breach of trust and also for offences punishable under the provisions of the Information Technology Act, 2000. The matter is presently pending for hearing.

5. 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 presently pending for hearing before the said court.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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 pending.

11. 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 pending.

12. An application was filed by ISL 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 ₹ 43.5 crore. The matters are pending before various courts at various stages of adjudication.

(v) 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.

(vi) Legal action taken by statutory or regulatory authorities against ICSL:

1. A notice dated May 2, 2017 was received by ICSL from SEBI, basis an inspection conducted by SEBI during the period between January 30, 2014 and February 3, 2014 covering period from 2011 to 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. ICSL had applied for the inspection of documents, which were relied upon by SEBI, in relation to issuance of the enquiry notice. Upon the receiving such documents, ICSL submitted reply to SEBI notice providing clarification with supporting documents and highlighting the corrective measures adopted and implemented including compliance with circulars issued by SEBI on enhanced risk based supervision. During the period of three years beginning the date of conclusion of the onsite inspection, three supplementary reports were issued in this matter which has been suitably replied to. In the said matter, based on the recommendation of Enquiry officer, SEBI has issued a SCN providing an enquiry report. ICSL has filed its reply. The matter is pending before WTM for hearing. SEBI has passed the Adjudication Order on May 20, 2022 imposing penalty on ICSL. 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 ₹ 20,00,000. SEBI preferred an appeal before the Supreme Court of India and the matter is currently pending.

2. A notice dated October 28, 2021 was received by ICSL from SEBI, basis an inspection conducted by SEBI during March 2017 covering period from April01, 2015 to January 31, 2017. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. SEBI has passed the Adjudication Order on May 30, 2022 imposing penalty on ICSL. ICSL preferred an appeal against the Order before SAT and the stay is granted in the said matter. 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 ₹ 20,00,000. SEBI preferred an appeal before the Supreme Court, the same is pending.

3. ICSL received a SEBI Enquiry notice dated October 28, 2021 based on the inspection conducted during February 2014 (period from 2011 to 2014) and March 2017 (period from April 01, 2015 to January 31, 2017) in respect of segregation of clients' funds. Replies submitted by ICSL, matter is currently pending with SEBI. In the said matter, based on the recommendation of Enquiry officer, SEBI has issued a SCN providing an enquiry report. ICSL has filed its reply. 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 ₹20,00,000. SEBI preferred an appeal before the Supreme Court, the same is pending.

4. ICSL received a SEBI Show cause notice dated June 16, 2022 alleging that, ICSL being one of the 125 brokers mentioned therein failed to exercise care and diligence in the conduct of business while dealing with its clients and therefore not complying with Schedule II A (2) of the Code of Conduct for Stock Brokers read with regulation 9(f) of the SEBI (Stock Brokers) Regulations, 1992. ICSL has filed the settlement application and payment is made to SEBI. The order is awaited in this matter.

5. A notice dated October 28, 2021 was received by ICSL from SEBI, basis an inspection conducted by SEBI during March 2017 covering period from 2011 to 2014. The matter relates to SEBI's observations for non-segregation of own funds from clients' funds, misuse of credit balance of clients' funds for debit balance clients' funds and improper designation of the client bank account. SEBI has passed the Adjudication Order on May 20, 2022 imposing penalty on ICSL. ICSL preferred an appeal against the Order before SAT and the stay is granted in the said matter. The matter is pending before SAT.

6. SEBI has issued a Notice of summary settlement dated June 14, 2024, in relation to the role played by ICSL in handling various public issues of Non- Convertible Debt Securities between August 9, 2021 to November 30, 2023. Vide its notice dated June 14, 2024, 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 ₹ 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. ICSL had filed the settlement application on July 2, 2024, along with the payment of processing fees for the settlement application and remitted the settlement amount of ₹ 19,20,000. The settlement order is pending

7. SEBI issued 2 SCNs (Enquiry & Adjudication) dated April 15, 2024 for the inspection period April 2021 to July 2022. SEBI passed the Adjudication Order on August 21, 2024 levying a penalty of Rs 11 lakhs on the ICSL. Accordingly, ICSL have complied with Order on September 30, 2024

(b) Livlong Insurance Brokers Limited (formerly known as IIFL Insurance Brokers Limited) ("LIBL")

(i) Criminal proceedings against LIBL

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 LIBL 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.

(c) Livlong Protection & Wellness Solutions Limited (formerly known as IIFL Corporate Services Limited)

There are no outstanding litigations involving Livlong Protection & Wellness Solutions Limited.

(d) IIFL Commodities Limited (formerly India Infoline Commodities Limited) ("ICL")

Except as stated hereinbelow, and under "*Material litigations involving our Directors as on the date of this Draft Shelf Prospectus - Civil Litigation*", "*Material litigations involving our Directors as on the date of this Draft Shelf Prospectus - Criminal Litigation"* there are no other litigations involving ICL:

(i) Civil Proceeding against ICL

1. 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 Finance Limited (Formerly IIFL Holdings Limited) and NSEL, claiming (a) an amount of ₹ 76.00 million along with interest thereon at the rate of 18% per annum from August 1, 2013 to May 6, 2016 amounting to ₹ 37.85 million and further interest thereon on the total claim at the rate of 18% per annum from the date of filing of the suit till final realization. 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) pray for injunction restraining IICL from using ₹ 113.85 million 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. The total amount involved in the matter is ₹ 113.85 million. IICL received the summons on September 12, 2018. The matter is yet to be admitted.

(ii) Criminal Proceeding against ICL

1. A first information report dated July 7, 2015 ("FIR") was lodged by Sumita Kalra at the Moti Nagar Police Station, Delhi against IICL, under Sections 406 and 464 of the Indian Penal Code, 1860, alleging inter-alia, unauthorised trading, forgery and criminal breach of trust. The FIR is being investigated by the police.

(iii) Criminal Proceeding by ICL

1. ICL filed an Interim Application before High Court of Bombay against Vishvanidhi Dalmia ("Client") & Anr. praying to allow IICL to hear them as a Respondent Party in Criminal Writ Petition filed by the Client before High Court of Bombay against EOW & Anr. to issue order/direction to EOW to attach the properties of IICL & other brokers under MPID Act in CR No. 89/2013 investigated by EOW, Mumbai.

2. ICL filed an Interim Application before High Court of Bombay against Abhijit Bhandarkar ("Client") & Anr. praying to allow IICL to hear them as a Respondent Party in Criminal Writ Petition filed by the Client before High Court of Bombay against EOW & Anr. to issue order/direction to EOW to attach the properties of IICL & other brokers under MPID Act in CR No. 89/2013 investigated by EOW, Mumbai.

(e) IIFL Facilities Services Limited ("IFSL")

(i) Civil Proceeding by IMSL

Nil

(ii) Civil Proceeding against IFSL

1. 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.

(iii) Criminal proceedings filed by IFSL

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.

(iv) Cases filed by IFSL under Section 138 of the Negotiable Instruments Act, 1881

IFSL has filed three proceedings against defaulting vendors under Section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheques in various courts. The aggregate of claim amounts filed by IFSL is approximately ₹75 lakhs. The matters are pending before the courts for adjudication. The complaints are dismissed. IFSL is in process of filing appeals challenging the orders.

(f) IIFL Management Services Limited ("IMSL")

(i) Civil Proceeding by IMSL

Nil

(ii) Criminal proceedings against IMSL

Nil

(g) 360 One Asset Management Limited (formerly IIFL Asset Management Limited) ("360 AMIL")

***(i)* Civil Proceedings Against 360AMIL**

1. In the year 2015, certain IIFL Real Estate Funds subscribed to non convertible debentures ("**NCDs**") issued by Sutlej Housing Private Limited ("**Sutlej**") for an amount of ₹ 88 crore (approx.) against the security of mortgage of a land ("**Mortgaged Property**"). The Mortgaged Property was owned jointly by Sutlej and Nagindas Properties Private Limited ("**NPPL**") pursuant to certain conveyance deeds, development contract and certain other documents and agreements ("**Contracts**"). NPPL and certain other persons filed a suit in the Bombay High Court in October 2019 against Sutlej, promoters of Sutlej and connected persons/entities of Sutlej, and certain lenders of Sutlej including IIFLAMIL seeking restraint orders in respect of the Mortgaged Property. Consequent to admission of insolvency petition against Sutlej, NCLT directed the moratorium on all pending suits against Sutlej as such the suit filed by NPPL before the Bombay High Court has been placed in abeyance.

2. IIFL Cash Opportunities Fund had through its Investment Manager 360 AMIL subscribed to certain Optionally Convertible Debentures ("**OCD**") issued by Marvel Sigma Homes Private Limited. The investment was secured, among other securities, by a property situated at Village Hadapsar, Taluka - Haveli, District – Pune. Shri Pramod Tukaram Magar ("**Plaintiff No. 1**") and 7 others ("the Plaintiffs") have claimed that they are the rightful owners of the concerned property and that Marvel Sigma Homes Private

Limited ("Defendant No. 1"), the developer of the property, was not authorised to provide the said property as collateral for issuance of OCD by Marvel. Therefore, Plaintiffs have filed a Commercial Civil Suit before District and Sessions Court, Pune, against various parties including IIFL Cash Opportunities Fund and IIFLAMIL praying that the Debenture Trust Deed, pursuant to which the Debenture Subscription was made, be declared null and void. IIFL Cash Opportunities Fund and 360 AMIL have also been made defendants although there is no claim made against IIFL Cash Opportunities Fund and 360 AMIL. 360 AMIL has filed Application for striking off name of IIFL entities from the proceeding. The matter is currently pending.

(ii) Legal action taken by statutory or regulatory authorities against IIFLAMIL

An investigation was launched by SEBI due to front-running alerts generated between December 2019 and August 2020 against Santosh Brijraj Singh, amongst other parties. Singh is an employee of 360 AMIL. SEBI's investigation determined that Singh engaged in front-running by using non-public information to execute trades in various accounts in advance of the mutual funds and other large clients advised by 360 AMIL in violation of SEBI regulations. Singh and other parties then withdrew monies from such personal accounts and profited off the front-running trades. SEBI determined that as a result of the aforementioned violations, Singh is now barred from the financial services industry and his bank accounts have been frozen. Further sanctions may be issued by SEBI at its discretion. SEBI has passed a confirmatory order dated August 31, 2021 confirming its interim order dated October 1, 2020.

(h) 5 Paisa P2P Limited

There are no outstanding litigations involving 5 Paisa P2P Limited.

(i) 360 One WAM Limited (formerly known as IIFL Wealth Management Limited)*

Materiality threshold for 360 One WAM Limited is ₹ 33.99 crore for the purpose of disclosure of material civil litigations.

There are no material outstanding civil litigations and outstanding criminal litigations involving 360 One WAM Limited. Further, there are no outstanding regulatory or statutory proceedings involving 360 One WAM Limited.

(j)* 360 One Prime Limited (earlier known as IIFL Wealth Finance Limited)

Materiality threshold for 360 One Prime Limited is ₹ 12.35 crore for the purpose of disclosure of material civil litigations.

360 One Prime Limited (earlier known as IIFL Wealth Finance Limited) ("**360 WP**") had sanctioned a loan of ₹ 23,00,00,000 to Fastgrowth Hospitality LLP and Others (FHL). Pursuant to the default, 360 WP initiated a commercial suit before Bombay High Court against FHL and other for recovery of ₹ 24,39,28,178. The court in the above suit had ordered appointment of court receiver to take possession of the mortgaged properties. Meanwhile, 360 WP assigned the above loan along with the underlying securities to ASREC India Limited (ASREC) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act. Pursuant to above assignment, a Contempt Petition was filed in Bombay High Court by Fastgrowth Hospitality LLP and Others and others against 360 WP and ASREC India Limited and its directors (Respondents/Contemnors) on the grounds that the Contemnors have committed contempt of the court order appointing Court Receiver and have sought imposition of penalty of ₹2000 on each Contemnors and civil imprisonment for all directors of 360 WP and ASREC India Limited and also sought direction to cancel the assignment agreement pending the disposal of the Contempt Petition. The petition has till date not come up for hearing.

(k) 5Paisa Capital Limited ("5Paisa") *

Civil Proceedings by 5Paisa

1. Writ Petition No. (L) 9115 of 2024 was filed by 5Paisa 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) will not be given effect to and accordingly matter has been disposed of.

2. Appeal No. 388 of 2024 by 5Paisa against Multi Commodity Exchange of India Ltd. 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, we wish to inform you that 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. It is further informed that the Company has promptly deposited the abovementioned amount with MCX and the restriction, so imposed has been revoked across Exchanges. Further, we have now received the Affidavit in Reply from MCX and in the hearing held on September 17, 2024 SAT has allowed 4 weeks time to file the Rejoinder to the same. Next date in the Hearing is tentatively scheduled on 13th November' 2024 (Currently not updated on SAT Site).

Civil Proceedings against 5Paisa

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. We have appointed the Advocate in the matter and on last hearing date i.e. 22.10.2024 Vakalatnaama has been filed by our Advocates. We are in process of preparing and filing the written statement. Next date of hearing is 19th November 2024.

Criminal Proceedings by 5Paisa

1. A criminal complaint having case number Cri.M.A/1717/2022 is filed by 5Paisa before the CJM Court against Shashank Shashikant Bhamble for debt recovery under section 138 of the Negotiable Instruments Act and the claim amount involved in ₹ 35,00,000. The matter is currently pending in court.

Legal action taken by statutory or regulatory authorities against 5Paisa

1. With respect to NSE regular inspection conducted in February 2019 for the period 2018-19, a penalty of ₹ 1,60,000 was levied on 5Paisa for the observations pertaining to non-settlement of client funds and securities, non-maintenance of register of securities in the prescribed format, co-mingling of collateral stocks and funded stocks made during the course of said inspection. The penalty in connection with the said observations has been paid by 5Paisa.

2. A penalty of ₹ 2,00,000 was levied on 5Paisa by NSE for non-upload of Client Funds & Securities Balances for the month of March 2019. The penalty in connection with the same has been paid by 5Paisa.

3. A penalty of ₹ 80,000 was levied on 5Paisa by BSE for delay in upload of holding statement for the month of December 2019. The penalty in connection with the same has been paid by 5Paisa.

4. A penalty of ₹ 50,000 was levied on 5Paisa by NSE for release of advertisement without seeking approval of the Exchange. The penalty in connection with the same has been paid by 5Paisa.

5. A penalty of ₹ 3,600 was levied on 5Paisa by NSE and BSE for delay in submission of Half Yearly Networth Certificate.

6. A penalty of ₹ 1,500 was levied on 5Paisa by NSE for delay in submission of Weekly Client Fund Monitoring.

7. A penalty of ₹ 11,000 was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2020.

8. A penalty of ₹ 17,500 was levied on 5Paisa by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

9. With respect to SEBI inspection conducted jointly with BSE, NSE, MCX and CDSL in June 2019 for the period April 01, 2018 to May 31, 2019, a penalty of ₹ 1,362,791 was levied on 5paisa Capital Limited for the observations pertaining to handling of client’s funds and securities, Client Funding, Client Registration Process, Analysis of Enhanced Supervision Data made during the course of said inspection. The penalty in connection with the said observations has been paid by 5paisa Capital Limited.

10. A penalty of ₹ 5,000 was levied on 5Paisa by MCX for not assigning proper nomenclature for Bank Account details.

11. A penalty of ₹ 8,000 was levied on 5Paisa by NSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

12. A penalty of ₹ 6,000 was levied on 5Paisa by BSE for non-compliances/violations reported in Internal Audit Report submitted for the half year ended September 2020.

13. A penalty of ₹ 42,500 was levied on 5Paisa by MCX for non-compliances/violations reported in Internal Audit Report submitted for the half year ended March 2021.

14. A penalty of ₹ 10,000 was levied on 5Paisa by BSE towards unregistered client code.

15. A penalty of ₹ 10,000 was levied on 5Paisa by BSE towards unregistered client code.

16. A penalty of ₹ 12,500 was levied on 5Paisa by MCX for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended September 2021.

17. A penalty of ₹ 60,000 was levied on 5Paisa by NSE Non Tagging of Unique Identifier for Algorithmic orders.

18. A penalty of ₹ 10,000 was levied on 5Paisa by BSE towards unregistered client code.

19. A penalty of ₹ 30,000 was levied on 5Paisa by BSE towards unregistered client code.

20. A penalty of ₹ 2,20,000 (i.e., ₹ 10,000 per client) was levied on 5Paisa by MCX towards incorrect state city in UCC database of the exchange.

21. Penalty of ₹ 59,000 towards Non –compliance with Code of Advertisement was levied by BSE.

22. A Penalty of ₹ 1,02,000 levied by MCX for Adverse Observe MCX reported in Inspection conducted for the period 2020-2021

23. Penalties of ₹ 3,00,000 levied as per for offsite inspection by NSE

24. A Penalty of ₹ 50,000 towards Non-Compliance with Code Of Advertisement was levied by BSE.

25. A penalty of ₹ 8000 was levied on 5Paisa by BSE for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended March 2022

26. Penalty has been levied for delayed submission of daily MTF reporting by NSE of ₹ 5000

27. A penalty of ₹ 12,500 was levied on 5Paisa by MCX for Adverse Observe MCX reported in Internal Audit Report submitted for the half year ended September 2022.

28. With respect to SEBI joint inspection conducted in July 2022 for the period April, 2021 June 2022, a penalty of ₹ 16,16,900 was levied on 5Paisa for the observations pertaining to Incorrect reporting of margin, Collection of inadequate margins from clients under, Non-maintenance of a separate register of securities for MTF, incorrect data submitted towards weekly monitoring of clients' funds, Incorrect data submitted in the weekly client-level cash and cash equivalent balances, Incorrect data submitted towards RBS during the course of said inspection.

29. With respect to limited purpose inspections conducted by NSE penalty of ₹ 23.09 lakhs was levied for the violations observed

30. A penalty of ₹7,600/- was levied by NSE offsite inspection team for the incorrect margin reported and collection to the Exchange as on April 11,2022.

31. A monetary penalty of ₹6,00,000/- was levied by NSE offsite inspection for Incorrect data reported towards weekly client level cash and cash equivalent balances (Peak ledger balances mismatch system issues). (₹ 100,000 for each instance total being 6 instance)

32. A monetary penalty of ₹1,92,400/-was levied by NSE for Incorrect margin collection reported to the

Exchange. (4 instances merged)

33. A penalty of ₹4,75,000/- was levied for Non-adherence to the Exchange's Code of Advertisement i.e. for 4 business communications/advertisements contain the 5Paisa branding and published the communications/advertisements with the intention and purpose of promoting its brand, products and services (2 instances merged)

34. A monetary penalty of ₹1,00,000/- was levied by MCX for Mismatch in information of state city and pin code of client.

35. A penalty of ₹8,58,000/-was levied for Penalty levied for Non-complied areas observed during internal audit for the period Oct-2021 to Mar - 2022.

36. A monetary penalty of ₹15,000/- was levied by MCX for KYC details of client not updated with KRA, CKYC and CKYC for existing clients.

37. A monetary penalty of ₹4,16,500/- was levied by NSE for Regular Inspection in CM, F&O and CD Segments conducted during December 2022.

38. A penalty of ₹45,000/- was levied by NSE for (LPI inspection) Client registration documents are not executed, and the client registration documents not maintained (i.e. all the fields are not properly filled up) and A contravening clause of running account authorization has included in the KYC document.

39. A penalty of ₹1,000/- was levied by BSE (violations observed in internal audit report) for KYC details of client not updated with CKYC and CKYC for existing clients.

40. A penalty of ₹15,000/- was levied by CDSL for we did not submit the complete compliance report within 95 days from the first intimation of non-compliance letter.

41. A penalty of ₹300/- was levied by CDSL for Typographical error by DP staff (3 instance).

42. A penalty of ₹10,000/- was levied by NSE for Operation of trading terminals without having valid certification.

43. A penalty of ₹15,000/- was levied by MCX for violation reported in the internal Audit Report for the Half Year period ended 01-October-2022 to 31-March-2023.

44. A penalty of ₹300/- was levied by CDSL for Typographical error by DP staff (3 instance).

45. A penalty of ₹20,100 /- and Advise was issued by NSE for Incorrect reporting of margin collection from clients and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation.

46. A penalty of ₹67,000 /- and Advise was issued by NSE for incorrect reporting of margin collection from clients (as on October 16, 2023, November 13, 2023, and November 20, 2023) and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation.

47. A penalty of ₹2,96,300 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange as on October 30, 2023 and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on October 30, 2023.

48. A penalty of ₹56,300 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange as on October 23, 2023 and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on October 23, 2023.

49. A penalty of ₹400/- was levied by CDSL for Typographical error by DP staff (3 instance) and Rectification of erroneous PAN details previously entered (4 instances).

50. A monetary penalty of ₹8,000/- was levied by NSE for Incorrect reporting in MTR file (Feb to Mar-2024).

51. A monetary penalty of ₹33,000/- was levied by NSE for Incorrect reporting in MTR file (Mar to Apr-2024).

52. A penalty of ₹6,800 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange as on January 23, 2024 and January 29, 2024 and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on January 23, 2024 and January 29, 2024.

53. A monetary penalty of ₹1,00,000/- was levied by NSE for Non-issuance of statement of accounts & retention statement at the time of settlement of client accounts for the period January 05, 2024 / January 06, 2024 (Payout date).

54. BSE issued a penalty of ₹1,00,000/- for Final letter pertaining to limited purpose Inspection conducted by the exchange for FY 2023-24.

55. BSE levied penalty of ₹2,75,000/- as per exchange Notice No.20230704-27 dated July 04,2023, towards non-compliance of Technical Glitch reporting by 5PAISA CAPITAL LIMITED.

56. A penalty of ₹500/- was levied by CDSL for Incorrect entry of PAN details in CDAS during the month of March-2024.

57. A penalty of ₹2,000/- was levied by CDSL for Imposition of Penalty for Non submission of the Concurrent Audit Report for the month of January 2024.

58. A monetary penalty of ₹5,000/- was levied by NSE for Incorrect reporting in MTR file (April 2024).

59. A monetary penalty of ₹1,00,000/- was levied by NSE for Non-issuance of statement of accounts & retention statement at the time of settlement of client accounts for the period October to December 2023.

60. A penalty of ₹1,87,200 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange as on as on March 11, 2024 and March 18, 2024 and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on as on March 11, 2024 and March 18, 2024.

61. The total penalty of ₹8,00,000/- was levied by MCX for Failure to conduct DR drill/live trading from DR site as per the provisions.

62. A penalty of ₹100/- was levied by CDSL for Incorrect entry of PAN details in CDAS during the month of May-2024.

63. A monetary penalty of ₹3,800/- was levied by NSE for Incorrect reporting of margin collection from clients (February 2024).

64. A penalty of ₹35,400 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation.

65. 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 imposed a consolidated monetary penalty of ₹ 2,59,75,000/- on member 5Paisa Capital Ltd. in terms of the exchange circulars. Further, 5Paisa has filed an appeal (Case No. 388 of 2024) 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 and 5Paisa has promptly deposited the abovementioned amount with MCX and the restriction, so imposed has been revoked across Exchanges. The Matter has been kept on 17th September' 2024 for next hearing.

66. Advise issued by SEBI for Comprehensive Inspection of Books of account, records and other documents of 5 Paisa Capital Limited (SEBI Reg. Nos. INZ000010231 and IN-DP-192-2016(DP)).

67. SEBI has penalized of ₹ 2,00,000/- for SEBI Adjudication Order against 5paisa Capital Ltd. in the matter of UCC showing incorrect state city codes (Sikkim related).

68. A penalty of ₹12,800 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on February 05, 2024.

69. A monetary penalty of ₹5,000/- was levied by NSE for Incorrect reporting in MTR file during Apr-2024.

70. A penalty of ₹51,300 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on February 12, 2024.

71. A penalty of ₹1,000/- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on February 26, 2024.

72. A penalty of ₹6,500 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on April 02, 2024.

73. A penalty of ₹2,000 /- was issued by CDSL for delay per fortnight till the submission of Internal audit report (March 2024).

74. A penalty of ₹19,200 /- and Advise was issued by NSE for Incorrect reporting of margin/ MTM loss collection from clients to Exchange and Member has not correctly reported the data towards "Segregation and Monitoring of Collateral at Client Level" to Clearing Member/Clearing Corporation as on March 04, 2024.

75. 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.

76. 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 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.

77. Original suit O.S./5966/2024 – Aravind Tambad (Ex – Employee) has instituted a Money Suit against 5Paisa 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. We have appointed the Advocate in the matter and on last hearing date i.e. 22.10.2024 Vakalatnaama has been filed by our Advocates. We are in process of preparing and filing the written statement. Next date of hearing is 19th November 2024.

78. 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 ₹ 2.59 crore 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.

6. Litigations involving Key Managerial Personnel of the Company

Save and except the litigations against our Directors and KMPs disclosed in the section titled as "*Outstanding Litigations"* on page 323 of this Draft Shelf Prospectus, there are no litigations pending or taken against the KMPs of our Company.

7. Taxation

Details of tax proceedings against our Company and the group companies:

(i) Our Company

Please see below the table setting out details of tax proceeding against our Company-

(₹ 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

Entity	No. of Cases		Amount Involved	
	Direct	Indirect Tax	Direct Tax	Indirect Tax
India Infoline Finance Limited (now merged with IIFL Finance Limited)	5	7	20.01	38.91

a. Our Company (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.

b. 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 ₹ 20.05 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.

c. 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.

d. 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.

e. 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.

f. 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.

(ii) Our group companies

Please see below the table setting out details of material tax proceeding against our group companies:

(₹ in crore)

Sr. No.	Entity	No. of Cases		Amount Involved	
		Direct Tax	Indirect Tax	Direct Tax	Indirect Tax
i.	IIFL Capital Services Limited (Formerly IIFL Securities Limited)	6	7	63.74	58.17
ii.	IIFL Management Services Limited	0	0	0	0
iii.	360 One WAM Limited (Formerly known as IIFL Wealth Management Limited)	5	0	12.11	0
iv.	IIFL Facilities Services Limited	1	1	2.65	0.0
v.	Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited)	0	0	0	0
vi.	360 One Prime Limited (formerly known as IIFL Wealth Finance Limited)	2	0	21.11	0
vii.	Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited)	0	0	0	0
viii.	5paisa Capital Limited	0	0	0	0
ix.	5paisa P2P Limited	0	0	0	0
x.	360 One Asset Management Limited (formerly IIFL Asset Management Limited)	1	0	1.10	0
xi.	IIFL Commodities Limited (formerly India Infoline Commodities Limited)	0	0	0	0

a. IIFL Capital Services Limited (Formerly 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.

b. The 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.

(a) 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 July 1, 2012 to March 31, 2014, along with interest under section 75 and penalty under section 76 of the Act.

(b) 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.

8. *Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Draft Shelf Prospectus*

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 entitlement 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 ₹ 10,00,000. 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.

9. *Details of default, if any, including therein the amount involved, duration of default and present status, in (a) repayment of statutory dues, (b) 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*

(a) Except as provided hereinbelow, there are no defaults in repayment of statutory dues:

S. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (₹ in Crore)
1	Professional Tax	2024-25	1	Regularised	0.02
2	Professional Tax	2024-25	2	Regularised	0.01
3	Professional Tax	2024-25	9	Regularised	0.00
4	Professional Tax	2024-25	5	Regularised	0.01
5	Professional Tax	2024-25	12	Regularised	0.01
6	Professional Tax	2024-25	12	Regularised	0.01

S. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (₹ in Crore)
7	Professional Tax	2024-25	28	Regularised	0.01
8	Professional Tax	2024-25	16	Regularised	0.01
9	Professional Tax	2024-25	9	Regularised	0.01
10	Professional Tax	2024-25	7	Regularised	0.01
11	Professional Tax	2024-25	1	Regularised	0.00
12	Professional Tax	2024-25	69	Regularised	0.00
13	Professional Tax	2024-25	8	Regularised	0.00
14	Professional Tax	2024-25	3	Regularised	0.00
15	Professional Tax	2024-25	3	Regularised	0.00
16	TDS	2024-25	7	Regularised	0.70
17	Professional Tax	2023-24	12	Regularised	0.01
18	Professional Tax	2023-24	10	Regularised	0.01
19	Professional Tax	2023-24	11	Regularised	0.01
20	Professional Tax	2023-24	5	Regularised	0.01
21	Professional Tax	2023-24	9	Regularised	0.01
22	Professional Tax	2023-24	3	Regularised	0.01
23	Professional Tax	2023-24	5	Regularised	0.01
24	Professional Tax	2023-24	9	Regularised	0.00
25	Professional Tax	2023-24	10	Regularised	0.01
26	Professional Tax	2023-24	5	Regularised	0.01
27	Professional Tax	2023-24	4	Regularised	0.01
28	Professional Tax	2023-24	5	Regularised	0.02
29	Professional Tax	2023-24	10	Regularised	0.01
30	Professional Tax	2023-24	2	Regularised	0.01
31	Professional Tax	2023-24	1	Regularised	0.01
32	Professional Tax	2023-24	2	Regularised	0.02
33	Professional Tax	2023-24	2	Regularised	0.01
34	Professional Tax	2023-24	10	Regularised	0.25
35	Professional Tax	2023-24	15	Regularised	0.00
36	Professional Tax	2023-24	62	Regularised	0.00
37	Professional Tax	2023-24	8	Regularised	0.01
38	Professional Tax	2023-24	7	Regularised	0.01
39	Professional Tax	2023-24	3	Regularised	0.00
40	Professional Tax	2023-24	29	Regularised	0.09
41	Professional Tax	2023-24	8	Regularised	0.02
42	Professional Tax	2022-23	20	Regularised	0.13
43	Professional Tax	2022-23	18	Regularised	0.11
44	Labour Welfare Fund	2022-23	8	Regularised	0.00
45	Labour Welfare Fund	2022-23	16	Regularised	0.00

S. No.	Particulars	Financial Year	Duration of Delay (in Days)	Present Status	Amount Paid (₹ in Crore)
46	Labour Welfare Fund	2022-23	81	Regularised	0.01
47	Labour Welfare Fund	2022-23	4	Regularised	0.01
48	Labour Welfare Fund	2022-23	5	Regularised	0.02
49	Labour Welfare Fund	2022-23	15	Regularised	0.01
50	Labour Welfare Fund	2022-23	13	Regularised	0.00
51	Labour Welfare Fund	2022-23	8	Regularised	0.00
52	TDS	2021-22	8	Regularised	0.01
53	TDS	2021-22	3	Regularised	0.00
54	TDS	2021-22	7	Regularised	0.00
55	TDS	2021-22	8	Regularised	0.01
56	TDS	2021-22	3	Regularised	0.00
57	TDS	2021-22	7	Regularised	0.00
58	Professional Tax	2021-22	15	Regularised	0.10
59	Professional Tax	2021-22	1	Regularised	0.01
60	Professional Tax	2021-22	14	Regularised	0.00
61	Professional Tax	2021-22	25	Regularised	0.12
62	Labour Welfare Fund	2021-22	88	Regularised	0.01

(b) Nil

10. ***Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law in the last three years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company and / or our Subsidiary Company (whether pending or not); fines imposed or compounding of offences done; prosecutions filed (whether pending or not) by our Company and/ or our Subsidiary in the last three years immediately preceding the year of this Draft Shelf Prospectus and the current financial year.***

Nil

11. ***Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability.***

For details see "*Financial Information*" on page 251.

12. ***Details of acts of material frauds committed against our Company in the last three Fiscals and current financial year, if any, and if so, the action was taken by our Company***

Details of fraud committed against our Company in the last three financial years and the current financial year up to the date of this Draft Shelf Prospectus is set forth below:

(₹ in crore)

Sl. No.	Fiscal	Gross Amount	Modus Operandi	Recovery	Provisions	Action Taken by the Company
1.	2021-22	11.64	The frauds included pledging of spurious/ stolen	1.27	1.24	In all these cases, our Company has conducted detailed inquiry into the
2.	2022-23	3.88		0.12	0.82	
3.	2023-2024	6.39		0.17	1.99	

Sl. No.	Fiscal	Gross Amount	Modus Operandi	Recovery	Provisions	Action Taken by the Company
4.	April 1, 2024 to November 8, 2024	2.32	gold by customers, missing packets of gold on account of misappropriation, criminal breach of trust by our branch staff and releasing of gold ornaments through stolen cash amount.	0.06	0.05	frauds and analyzed the causes of such frauds. Based on the analysis, requisite corrective actions like strengthening of controls and internal processes have been taken wherever required. In case of involvement of the employees of our Company in a fraud, on a case-to-case basis, appropriate disciplinary action, including termination has been taken. Police complaints have been filed against such delinquents. Our Company also has a robust framework in place for prevention and timely detection of fraud which includes empanelment of External agencies and CA firms for cross/surprise audit, dual valuation of gold pre-disbursement, verification / declaration of ownership of gold, evaluating borrower's profile, Monitoring of collateral risks, understand end use of funds, surprise audits, mystery shopping, analytics based fraud triggers, continuous training to branch staffs, utmost care by valuers while appraising of heavyweight and unused ornaments, sending of alert across branches along with image of spurious ornaments to be vigilant during appraising of gold etc. We continue to further enhance our systems and processes and take proactive actions to deter

Sl. No.	Fiscal	Gross Amount	Modus Operandi	Recovery	Provisions	Action Taken by the Company
						frauds and offences.

13. ***Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Draft Shelf Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks***

There are no reservations, qualifications or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Draft Shelf Prospectus. For emphasis of matter, please see Risk Factor No. 15 "*Our erstwhile statutory auditors have highlighted certain emphasis of matter / remark to their audit report relating to our audited financial statements and unaudited financial results, which may affect our future financial results.*" on page 32 of this Draft Shelf Prospectus.

14. ***Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/group companies in the last five financial years, including outstanding action***

Except as disclosed in the section titled "*Outstanding Litigation*" on page 323 and "*Outstanding Litigation- Material litigation or legal or regulatory actions involving our Group Companies*", there are no disciplinary action taken by SEBI or Stock Exchanges against the Promoters/group companies in the last five financial years, including outstanding action.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft 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 October 31, 2024, the Board of Directors approved the issue of NCDs to the public up to an amount not exceeding ₹ 2,500 crore in one or more tranches.

Further, the present Issue is within the borrowing limits of ₹ 35,000 crore under Sections 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 September 30, 2019.

Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company, persons in control of our Company and/or the Promoters 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 Promoters, 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 Promoters 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 Draft 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 Draft Shelf Prospectus.

No regulatory action is pending against the Issuer or its Promoters or directors before the SEBI or the RBI.

Wilful Defaulter

Our Company, and/or our Directors and/or our Promoters 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 the 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, for a period of more than six months. None of our Whole-time Directors and/or our Promoters, 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 Promoters, 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 Draft 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 under this Draft Shelf Prospectus 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 MANAGERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND NUVAMA WEALTH MANAGEMENT LIMITED, HAVE FURNISHED TO SEBI RESPECTIVE DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

[•]

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.

DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER NO [•] DATED [•] 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.: [•] DATED [•] 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 PROMOTERS, 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 DRAFT SHELF PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT 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 CREDIT RATING AGENCIES

DISCLAIMER STATEMENT OF ICRA

ICRA RATINGS SHOULD NOT BE TREATED AS RECOMMENDATION TO BUY, SELL OR HOLD THE RATED DEBT INSTRUMENTS. ICRA RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE, WHICH MAY LEAD TO REVISION IN RATINGS. AN ICRA RATING IS A SYMBOLIC INDICATOR OF ICRA'S CURRENT OPINION ON THE RELATIVE CAPABILITY OF THE ISSUER CONCERNED TO TIMELY SERVICE DEBTS AND OBLIGATIONS, WITH REFERENCE TO THE INSTRUMENT RATED. PLEASE VISIT OUR WEBSITE WWW.ICRA.IN OR CONTACT ANY ICRA OFFICE FOR THE LATEST INFORMATION ON ICRA RATINGS OUTSTANDING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE, INCLUDING THE RATED ISSUER. ICRA HOWEVER HAS NOT CONDUCTED ANY AUDIT OF THE RATED ISSUER OR OF THE INFORMATION PROVIDED BY IT. WHILE REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES MAY HAVE PROVIDED SERVICES OTHER THAN RATING TO THE ISSUER RATED. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.

DISCLAIMER STATEMENT OF CRISIL

A RATING BY CRISIL RATINGS REFLECTS CRISIL RATINGS' 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. OUR RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER OR OBTAINED BY CRISIL RATINGS FROM SOURCES IT CONSIDERS RELIABLE. 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. CRISIL RATINGS HAS A PRACTICE OF KEEPING ALL ITS RATINGS UNDER SURVEILLANCE AND RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS/USERS/TRANSMITTERS / DISTRIBUTORS OF ITS RATINGS. CRISIL RATINGS' CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEB SITE, WWW.CRISILRATINGS. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTILY. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE VISIT

WWW.CRISILRATINGS.COM **OR CONTACT CUSTOMER SERVICE HELPDESK AT CRISILRATINGDESK@CRISIL.COM OR AT 1800-267-1301**

DISCLAIMER STATEMENT OF INDUSTRY REPORT PROVIDER (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.

DISCLAIMER STATEMENT FROM THE LEAD MANAGERS

THE LEAD MANAGERS ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS(ES) 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 DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS(ES) 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 THE SHELF PROSPECTUS AND THIS DRAFT 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 THIS DRAFT SHELF 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 DRAFT 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 23.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT 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 DRAFT 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 DRAFT SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES' 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 DRAFT 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
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	www.nuvama.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) Bankers to Company; (h) Credit Rating Agencies; (i) the Debenture Trustee for the Issue; (j) Consortium Member*; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank*; (l) Industry report provider; (m) Lenders, to act in their respective capacities, have been obtained from them and the same shall be filed along with a copy of the 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 Draft Shelf Prospectus with the Stock Exchanges.
**These consents will be obtained at each tranche stage*

Our Company has received the written consent dated November 13, 2024 from Sharp & Tannan Associates, Chartered Accountants and G.M. Kapadia & Co. Chartered Accountants (Current Joint Statutory Auditors), to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft 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: (i) H1 2025 Unaudited Financial Results along with the limited review report dated October 23, 2024; (ii) report on the Statement of Possible Tax Benefits dated November 13, 2024, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Our Company has received the written consent dated November 13, 2024 from Sharp & Tannan Associates, Chartered Accountants and Chhajed & Doshi, Chartered Accountants (Erstwhile Joint Statutory Auditors), to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft 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: (i) Audited Consolidated Financial Statements for Fiscal 2024 along with audit report dated June 15, 2024; and (ii) Audited Standalone Financial Statements for Fiscal 2024 along with audit report dated June 15, 2024, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Our Company has received the written consent dated November 13, 2024 from Chhajed & Doshi, Chartered Accountants and V Sankar Aiyar & Co. 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 Draft 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: (i) Audited Consolidated Financial Statements for Fiscal 2023 along with audit report dated April 26, 2023; and (ii) Audited Standalone Financial Statements for Fiscal 2023 along with audit report dated April 26, 2023; (iii) Audited Consolidated Financial Statements for Fiscal 2022 along with audit report dated April 28, 2022; and (iv) Audited Standalone Financial Statements for Fiscal 2022 along with audit report dated April 28, 2022, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

Our Company has received the written consent dated November 13, 2024 from Sharp & Tannan Associates, Chartered Accountants and G.M. Kapadia & Co. Chartered Accountants (Current Joint Statutory Auditors), to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft 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: (i) H1 2025 Unaudited Financial Results along with the limited review report dated October 23, 2024; (ii) report on the Statement of Possible Tax Benefits dated November 13, 2024, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Our Company has received the written consent dated November 13, 2024 from Sharp & Tannan Associates, Chartered Accountants and Chhajed & Doshi, Chartered Accountants (Erstwhile Joint Statutory Auditors), to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft 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: (i) Audited Consolidated Financial Statements for Fiscal 2024 along with audit report dated June 15, 2024; and (ii) Audited Standalone Financial Statements for Fiscal 2024 along with audit report dated June 15, 2024, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

Our Company has received the written consent dated November 13, 2024 from Chhajed & Doshi, Chartered Accountants and V Sankar Aiyar & Co. 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 Draft 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: (i) Audited Consolidated Financial Statements for Fiscal 2023 along with audit report dated April 26, 2023; and (ii) Audited Standalone Financial Statements for Fiscal 2023 along with audit report dated April 26, 2023; (iii) Audited Consolidated Financial Statements for Fiscal 2022 along with audit report dated April 28, 2022; and (iv) Audited Standalone Financial Statements for Fiscal 2022 along with audit report dated April 28, 2022, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

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 Draft 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 Draft 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 NCS Master Circular.

Filing of this Draft Shelf Prospectus

This 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. This Draft Shelf Prospectus shall also be displayed on the websites of the Company and the Lead Managers.

Filing of the Shelf Prospectus and the relevant Tranche Prospectus(es) with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) 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 Draft 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 NCS Master Circular. This fund has been created under the SEBI NCS 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 SEBI Debenture Trustee Master Circular

Appointment of Debenture Trustee

The Company has appointed Vardhman Trusteeship Private 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 ₹ 2,00,000 plus applicable taxes and an annual trusteeship fee of ₹ 3,00,000 plus applicable taxes in terms of the letter dated October 23, 2024.

Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:

The terms of due diligence exercise conducted by Debenture Trustee in accordance with Chapter II of the SEBI Debenture Trustee Master Circular, is as follows:

(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 Documents / Debenture Trust Deed, has been obtained. For the purpose of carrying out the due diligence as required under Applicable Law, 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 or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub-registrar of assurances (as applicable), Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**"), depositories, information utility ("**IU**") registered with Insolvency and Bankruptcy Board of India ("**IBBI"**) or any other authority, as may be required, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider for securing the Debentures, are registered / disclosed.

(c) Further, in the event that existing charge holders of any trustee on behalf of the 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.

(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 applicable law.

(e) The Debenture Trustee shall have the power to independently 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, traveling and other costs shall be solely borne by the Company.

(f) The Debenture Trustee shall make the disclosures on its website as specified under Chapter VII of the SEBI Debenture Trustee Master Circular, as amended.
(g) The Debenture Trustee shall take necessary steps to bring the investor charter, as provided in the Chapter IX of the SEBI Debenture Trustee Master Circular:
    i. Disseminating the investor charter on Debenture Trustee's website and through e-mail.
    ii. Displaying the investor charter at prominent places in offices etc.

(h) The Debenture Trustee shall intimate stock exchanges and depositories the status of payment of debt securities within 9 (nine) working days of the maturity / redemption date, in case the issuer fails to intimate the status of payment of the debt securities within stipulated timelines, then debenture trustee(s) shall seek status of payment from issuer and/ or conduct independent assessment of banks, investors, rating agencies, etc.) to determine the same.

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 Exchanges.

- 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.

VARDHMAN TRUSTEESHIP PRIVATE LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 13, 2024, AS PER THE FORMAT SPECIFIED UNDER ANNEX-IIA IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND PART A OF SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

WE, THE DEBENTURE TRUSTEE TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 AND LISTED. – Not applicable at this stage since security is to be created in tranches

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.) IN THE 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 SEBI Debenture Trustee Master Circular and Part B of Schedule IV of the SEBI NCS Regulations.

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 Draft Shelf Prospectus. For details of Issue related expenses, see "*Objects of the Issue*" on page 115.

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 Draft Shelf Prospectus in the section titled *"Terms of the Issue"* on page 445 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 5 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.

viii. The issue proceeds shall not be utilized for providing loans to or acquisition of shares of any entity who is part of our Promoter Group or Group Companies.

Previous Issues

Details regarding previous issues of the Issuer, Subsidiaries as well its Group Companies in the last three years and current financial year as on date of this Draft Shelf Prospectus

A. Issuer (IIFL Finance Limited)

i. Public issue of equity shares by the Issuer

The Issuer has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus, except Right Issue.

ii. Previous public issues of non-convertible debentures by the Issuer

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 crore 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 crore 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 crore 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 date of this Draft Shelf Prospectus): NIL

iii. Previous private placement of non-convertible debentures by the Issuer

For Fiscal 2022:

Particulars	INE530B07104
Date of opening	June 29, 2021
Date of closing	June 29, 2021
Total issue size *(₹ in crore unless otherwise stated)*	500.00
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 crore unless otherwise stated)*	100.00
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 crore unless otherwise stated)*	10.00
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

Particulars	INE530B07195
	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 crore unless otherwise stated)*	60.00
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 crore unless otherwise stated)*	50.00
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 crore unless otherwise stated)*	10.00
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 crore unless otherwise stated)*	125.00
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 crore unless otherwise stated)*	115.00
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 crore unless otherwise stated)*	80.00
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 crore unless otherwise stated)*	550.00
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 crore unless otherwise stated)*	30.00
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 crore unless otherwise stated)*	26.00
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 crore unless otherwise stated)*	35.00
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 crore unless otherwise stated)*	30.00
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 crore unless otherwise stated)*	125.00
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 crore unless otherwise stated)*	35.00
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 crore unless otherwise stated)*	500.00
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 date of this Draft Shelf Prospectus):

Particulars	INE530B08169
Date of opening	October 15, 2024
Date of closing	October 15, 2024
Total issue size *(₹ in crore 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	300.00	12,71,82,81,000.00	Augmenting the capital base of Company

B. Subsidiaries:

1. IIFL Home Finance Limited

i. Public issue of equity shares by IIFL Home Finance Limited, subsidiary company of the Company

IIFL Home Finance Limited has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Home Finance Limited, subsidiary company of the Company

Except as disclosed below, IIFL Home Finance Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

For Fiscal 2022:

Below are the details of non-convertible debentures (unsecured)

Particulars	ISIN INE477L08147, INE477L08154, INE477L08162
Date of opening	Tuesday, July 6, 2021
Date of closing	Wednesday, July 28, 2021
Total issue size *(₹ in crore unless otherwise stated)*	655.82
Date of allotment	Monday, August 03, 2021
Date of listing	Wednesday, 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	Wednesday, December 8, 2021
Date of closing	Tuesday, December 28, 2021
Total issue size *(₹ in crore unless otherwise stated)*	404.39
Date of allotment	Monday, January 03, 2022
Date of listing	Tuesday, 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 date of this Draft Shelf Prospectus): NIL

iii. Previous private placement of non-convertible debentures by IIFL Home Finance Limited, subsidiary company of the Company in the last three years

Except as disclosed below, IIFL Home Finance Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

For Fiscal 2022:

Particulars	ISIN – INE477L07AI9
Date of opening	Thursday, April 15, 2021
Date of closing	Thursday, April 15, 2021
Total issue size *(₹ in crore unless otherwise stated)*	50.00
Date of allotment	Friday, April 16, 2021
Date of listing	Thursday, 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	Friday, April 23, 2021
Date of closing	Friday, April 23, 2021
Total issue size *(₹ in crore unless otherwise stated)*	30.00
Date of allotment	Monday, April 26, 2021
Date of listing	Thursday, 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	Wednesday, May 12, 2021
Date of closing	Wednesday, May 12, 2021
Total issue size *(₹ in crore unless otherwise stated)*	50.00
Date of allotment	Friday, May 14, 2021
Date of listing	Wednesday, 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	Monday, May 31, 2021
Date of closing	Monday, May 31, 2021
Total issue size *(₹ in crore unless otherwise stated)*	35.00
Date of allotment	Tuesday, June 01, 2021
Date of listing	Friday, 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 crore unless otherwise stated)*	30.00
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 crore unless otherwise stated)*	120.00
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 crore unless otherwise stated)*	75.00

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 crore unless otherwise stated)*	300.00
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	Wednesday, March 29, 2023
Date of closing	Wednesday, March 29, 2023
Total issue size *(₹ in crore unless otherwise stated)*	280.00
Date of allotment	Friday, March 31, 2023
Date of listing	Wednesday, 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	Monday, May 22, 2023
Date of closing	Monday, May 22, 2023
Total issue size *(₹ in crore unless otherwise stated)*	320.00
Date of allotment	Tuesday, May 23, 2023
Date of listing	Thursday, 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	Thursday, August 17, 2023
Date of closing	Friday, August 18, 2023
Total issue size *(₹ in crore unless otherwise stated)*	820.00
Date of allotment	Friday, 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 date of this Draft Shelf Prospectus):

Particulars	ISIN – INE477L07AY6
Date of opening	Monday, October 14, 2024
Date of closing	Monday, October 14, 2024
Total issue size *(₹ in crore unless otherwise stated)*	250.00
Date of allotment	Tuesday, October 15, 2024
Date of listing	Thursday, 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 of equity shares by IIFL Home Finance Limited

IIFL Home Finance Limited has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

2. IIFL Open Fintech Private Limited

i. Public issue of equity shares by IIFL Open Fintech Private Limited, subsidiary company of the Company

IIFL Open Fintech Private Limited has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Open Fintech Private Limited, subsidiary 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 Draft Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIFL Open Fintech Private Limited, subsidiary 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 Draft 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 Draft Shelf Prospectus.

3. IIFL Samasta Finance Limited

i. Public issue of equity shares by IIFL Samasta Finance Limited, subsidiary company of the Company

IIFL Samasta Finance Limited has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Samasta Finance Limited, subsidiary company of the Company

Except as disclosed below, IIFL Samasta Finance Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the Draft 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 crore unless otherwise stated)*	1000.00
Date of allotment	December 21, 2023
Date of listing	December 26, 2023
Allotment Amount *(₹ in crore)*	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 date of this Draft Shelf Prospectus): 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 crore unless otherwise stated)*	1000.00
Date of allotment	June 21, 2024
Date of listing	June 25, 2024
Allotment Amount *(₹ in crore)*	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, subsidiary company of the Company in the last three years

Except as disclosed below, IIFL Samasta Finance Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

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 crore unless otherwise stated)*	95.00	100.00
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 crore unless otherwise stated)*	200.00	175.00	200.00
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 crore unless otherwise stated)*	100.00	50.00	40.00
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 crore unless otherwise stated)*	300.00	200.00	100.00
Date of allotment	May 18, 2023	May 26, 2023	June 13, 2023
Date of listing	May 19, 2023	May 29, 2023	June 15, 2023

Particulars	ISIN – INE413U08093	ISIN – INE413U07210	ISIN – INE413U08101
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 crore unless otherwise stated)*	100.00	97.00
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 date of this Draft Shelf Prospectus):

Particulars	INE413U08135
Date of opening	June 27, 2024
Date of closing	June 27, 2024
Total issue size *(₹ in crore unless otherwise stated)*	40.00
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 crore 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 crore unless otherwise stated)*	40.00
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

Particulars	INE413U07350
	proceeds only to originate joint liability group loans for women borrowers.

iv. Rights issue of equity shares by IIFL Samasta Finance Limited

Except as disclosed below, IIFL Samasta Finance Limited has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

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. IIHFL Sales Limited

i. Public issue of equity shares by IIHFL Sales Limited, a step down subsidiary company of the Company

IIFL Open Fintech Private Limited has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus

ii. Previous public issues of non-convertible debentures by IIHFL Sales Limited, a step down 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 Draft Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIHFL Sales Limited, a step down 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 Draft Shelf Prospectus.

iv. Rights issue of equity shares by IIHFL Sales Limited

IIFL Open Fintech Private Limited has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

C. Group Companies:

1. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

2. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

3. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

4. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

5. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

6. 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

7. 360 ONE WAM Limited (formerly IIFL Wealth Management Limited)

i. Public issue of equity shares by 360 ONE WAM Limited (formerly IIFL Wealth Management Limited), group company of the Company

360 ONE WAM Limited (formerly IIFL Wealth Management Limited) has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 360 ONE WAM Limited (formerly IIFL Wealth Management Limited), group company of the Company

360 ONE WAM Limited (formerly IIFL Wealth Management Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by 360 ONE WAM Limited (formerly IIFL Wealth Management Limited), group company of the Company in the last three years

360 ONE WAM Limited (formerly IIFL Wealth Management Limited) has undertaken below stated private placement of non-convertible debentures in the last three years prior to the Draft 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 crore	100 crore	29.80 crore
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 (formerly IIFL Wealth Management Limited)

360 ONE WAM Limited (formerly IIFL Wealth Management Limited) has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

8. 5Paisa P2P Limited

i. Public issue of equity shares by 5Paisa P2P Limited, group company of the Company

5Paisa P2P Limited has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 5Paisa P2P Limited, group company of the Company

5Paisa P2P Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by 5Paisa P2P Limited, group company of the Company in the last three years

5Paisa P2P Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iv. Rights issue of equity shares by 5Paisa P2P Limited

5Paisa P2P Limited has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

9. IIFL Commodities Limited (formerly India Infoline Commodities Limited)

i. Public issue of equity shares by IIFL Commodities Limited (formerly India Infoline Commodities Limited), group company of the Company

IIFL Commodities Limited (formerly India Infoline Commodities Limited) has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by IIFL Commodities Limited (formerly India Infoline Commodities Limited), group company of the Company

IIFL Commodities Limited (formerly India Infoline Commodities Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by IIFL Commodities Limited (formerly India Infoline Commodities Limited), group company of the Company in the last three years

IIFL Commodities Limited (formerly India Infoline Commodities Limited) has not undertaken any private placement of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iv. Rights issue of equity shares by IIFL Commodities Limited (formerly India Infoline Commodities Limited)

IIFL Commodities Limited (formerly India Infoline Commodities Limited) has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

10. 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited)

i. Public issue of equity shares by 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited), group company of the Company

360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited) has not undertaken any equity public issue in the last three years prior to the Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited), group company of the Company

360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iii. Previous private placement of non-convertible debentures by 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited), group company of the Company in the last three years

360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited) has not undertaken any private placement of non-convertible debentures in the last three years prior to the Draft Shelf Prospectus.

iv. Rights issue of equity shares by 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited)

360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited) has not undertaken any rights issue of equity shares in the last three years prior to the Draft Shelf Prospectus.

11. 360 ONE Prime Limited *(formerly IIFL Wealth Prime Limited)*

i. Public issue of equity shares by 360 One Prime Limited *(formerly IIFL Wealth Prime Limited)*, group company of the Company

360 One Prime Limited *(formerly IIFL Wealth Prime Limited)* has not undertaken any equity public issue in the last three years prior to the date of this Draft Shelf Prospectus.

ii. Previous public issues of non-convertible debentures by 360 One Prime Limited*(formerly IIFL Wealth Prime Limited)*, group company of the Company

360 One Prime Limited *(formerly IIFL Wealth Prime Limited)* has undertaken the below stated public issue of non-convertible debentures in the last three years prior to the date of this Draft 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 crore*	1,000.00

Particulars (Tranche I)	INE248U07EX6, INE248U07EV0, INE248U07EU2, INE248U07EQ0, INE248U07ET4, INE248U07EW8, INE248U07ES6, INE248U07ER8
unless otherwise stated)	
Date of allotment	January 18, 2024
Date of listing	January 20, 2024
Allotment amount *(₹ in crore 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 crore unless otherwise stated)*	1,000.00
Date of allotment	January 18, 2024
Date of listing	January 20, 2024
Allotment amount *(₹ in crore 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 *(formerly IIFL Wealth Prime Limited)*, group company of the Company in the last three years

Except as disclosed below, 360 One Prime Limited *(formerly IIFL Wealth Prime Limited)* has not undertaken the private placement of non-convertible debentures in the last three years prior to the date of this Draft Shelf Prospectus.

Fiscal 2022:

Particulars	INE248U07DF5
Date of opening	March 30, 2022
Date of closing	March 30, 2022
Total issue size (₹ in crore 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 crore 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 crore 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 crore 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 crore unless otherwise stated)	12.76
Date of allotment	March 15, 2022
Date of listing	March 21, 2022
Utilisation of proceeds	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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore unless otherwise stated)	15.02
Date of allotment	December 10, 2021
Date of listing	December 15, 2021
Utilisation of proceeds	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 crore 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 crore 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 crore 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 crore unless otherwise stated)	31.00
Date of allotment	December 2, 2021
Date of listing	December 8, 2021
Utilisation of proceeds	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 crore 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 crore 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 crore 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 crore unless otherwise stated)	2.86
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore	2.01

unless otherwise stated)	
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore unless otherwise stated)	27.65
Date of allotment	April 8, 2021
Date of listing	April 15, 2021
Utilisation of proceeds	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 crore 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 crore 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 crore unless otherwise stated)	9.89
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore	40.01

unless otherwise stated)	
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore	9.06

unless otherwise stated)	
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore	37.03

unless otherwise stated)	
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore)	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 crore unless otherwise stated)	115.00
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 crore unless otherwise stated)	50.00
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 crore unless otherwise stated)	400.00
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 crore unless otherwise stated)	100.00
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 crore 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 crore 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 crore 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 crore unless otherwise stated)	8.00
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 crore 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 crore 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 crore	30.00

unless otherwise stated)	
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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 crore 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 date of this Draft Shelf Prospectus):

Particulars	INE248U07FC7
Date of opening	April 15, 2024
Date of closing	April 15, 2024
Total issue size (₹ in crore unless otherwise stated)	50.00
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 crore 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 crore unless otherwise stated)	200.00
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 crore unless otherwise stated)	190.00
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 crore unless otherwise stated)	50.00
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 crore unless otherwise stated)	50.00
Date of allotment	October 17, 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.

iv. **Rights issue of equity shares by 360 One Prime Limited *(formerly IIFL Wealth Prime Limited)***

360 One Prime Limited *(formerly IIFL Wealth Prime Limited)* has not undertaken any rights issue of equity shares in the last three years prior to the date of this Draft Shelf Prospectus.

Benefit/ interest accruing to Promoters/ Directors out of the Object of the Issue

Neither the Promoters 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. Pursuant to terms of regulation 37(2) of SEBI NCS Regulations, in the event of failure to list securities issued pursuant to this Issue within such days from the date of closure of issue as may be specified by SEBI (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within 2 (two) working days from the scheduled listing date to the Applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the Issuer shall be liable to pay interest at the rate of 15% (fifteen percent) per annum to the investors from the scheduled listing date till the date of actual payment.

Default in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

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 Financial Years and current Financial Year prior to the date of this Draft Shelf Prospectus by any stock exchange(s) in India or abroad.

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 253.

Our Company does not have any outstanding preference shares as at September 30, 2024.

Further, save and except as mentioned in this Draft Shelf Prospectus, our Company has not issued any other outstanding debentures or bonds.

Dividend

Our Company has in place dividend distribution policy dated July 27, 2021 prepared in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, approved by the Board of Directors of our Company. Except as stated below, our Company has not declared any dividend over the last three years.

Statement of Dividend on Standalone basis

(₹ in crore unless otherwise stated)

Particulars		For the six months 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		84.85	76.31	76.09	75.92
Face Value Per Equity Share (₹)	(a)	2.00	2.00	2.00	2.00
Interim Dividend on Equity Shares (₹ per Equity Share)$	(b)	-	4.00	4.00	3.50
Interim Dividend on Equity Shares$		-	152.59	152.09	132.82
Interim Dividend Declared Rate (in %)	(c=b/a)	-	200%	200%	175%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	-	4.00	4.00	3.50
Final Dividend on Equity Shares		-	152.59	152.09	132.82
Final Dividend Declared Rate (in %)	(e=d/a)	-	200%	200%	175%

$ During the year ended March 31, 2024, March 31, 2023, and March 31, 2022 the interim dividend declared was considered as final dividend.

Statement of Dividend on Consolidated basis

(₹ in crore unless otherwise stated)

Particulars		For the six months 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		84.85	76.31	76.09	75.92
Face Value Per Equity Share (₹)	(a)	2.00	2.00	2.00	2.00
Interim Dividend on Equity Shares$ (₹ per Equity Share)	(b)	-	4.00	4.00	3.50
Interim Dividend on Equity Shares$		-	152.59	152.09	132.82
Interim Dividend Declared Rate (in %)	(c=b/a)	-	200%	200%	175%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	-	4.00	4.00	3.50
Final Dividend on Equity Shares		-	152.59	152.09	132.82
Final Dividend Declared Rate (in %)	(e=d/a)	-	200%	200%	175%

$ During the year ended March 31, 2024, March 31, 2023, and March 31, 2022 the interim dividend declared was

considered as final dividend.

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 November 6, 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, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400 083, India
Tel No.: +91 810 811 4949
Fax: +91 22 4918 6060
Email: iiflfinance.ncd2024@linkintime.co.in
Investor Grievance Email: iiflfinance.ncd2024@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Compliance Officer: BN Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within 3 (three) 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 fifteen (15) 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:

Samrat Sanyal
IIFL Finance Limited
802, 8th Floor, Hubtown Solaris
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 400069,
Maharashtra, India.
Tel.: +91 22 6788 1000
Fax: +91 22 6788 1010
Email: csteam@iifl.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
Sharp & Tannan, Associates Chartered Accountants	87, Nariman Bhavan, 227 Nariman Point, Mumbai - 400021.	July 31, 2023
G.M. Kapadia & Co. Chartered Accountants	1007, Raheja Chambers, 213 Nariman Point, Mumbai - 400021.	September 30, 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
G.M. Kapadia & Co. Chartered Accountants	1007, Raheja Chambers, 213 Nariman Point Mumbai - 400021	September 30, 2024	-	-
Sharp & Tannan Associates, Chartered Accountants	87, Nariman Bhavan, 227, Nariman Point, Mumbai 400021	July 31, 2023	-	-
Chhajed & Doshi, Chartered Accountants	101, Hubtown Solaris, Near East-west Flyover, N.S. Phadke Marg, Andheri, Mumbai-400069	-	September 30, 2024	-
V Sankar Aiyar & Co. Chartered Accountants	2-C Court Chambers, 35 New Marine Lines, Mumbai 400020	-	July 31, 2023	-

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 163.

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 crore unless otherwise stated)

No.	Type of Loans	Amount	Percentage (%)
1.	Secured	24,960.33	85.33%
2.	Unsecured	4,289.72	14.67%
Total assets under management (AUM)		**29,250.05**	**100.00%**

C. *Denomination of loans outstanding by LTV as on March 31, 2024*

No.	LTV	Percentage of AUM
1.	LTV not applicable	14.71%
2.	Up to 40%	1.11%
3.	40%-50%	1.96%
4.	50%-60%	10.03%
5.	60%-70%	33.48%
6.	70%-80%	38.71%
7.	80%-90%	-
8.	More than 90%	-
	Total	**100.00%**

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)	0.82%
b.	Gold loans	79.84%
c.	Vehicle Finance	-
d.	MFI	-
e.	MSME	11.67%
f.	Capital market funding (loans against shares, margin funding)	1.05%
g.	Others	3.04%
2.	**Wholesale**	
a.	Infrastructure	-
b.	Real estate (including builder loans)	3.58%
c.	Promoter funding	-
d.	Any other sector (as applicable)	-
e.	Others	-
	Total	**100.00%**

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	43.82%
2.	₹ 2-5 lakh	28.62%
3.	₹ 5-10 lakh	14.10%
4.	₹ 10-25 lakh	6.33%
5.	₹ 25-50 lakh	0.73%

Sr. No.	Ticket size	Percentage of AUM
6.	₹ 50 lakh- 1 crore	0.30%
7.	₹ 1 crore - 5 crore	2.55%
8.	₹ 5 crore - 25 crore	0.06%
9.	₹ 25 crore - 100 crore	3.50%
	Total	**100.00%**

F. ***Geographical classification of the borrowers as on March 31, 2024***

Sr. No.	Top 5 state wise borrowers	Percentage of AUM
1.	Maharashtra	19.01%
2.	Gujarat	16.47%
3.	West Bengal	7.48%
4.	Karnataka	7.37%
5.	Rajasthan	6.58%

G. ***Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2024***

(₹ in crore unless otherwise stated)

Particulars	Amount
(I) Net NPAs to Net Advances (%)	1.90%
(II) Movement of NPAs (Gross)	
a. Opening balance	202.49
b. Additions during the year	689.66
c. Reductions during the year	(154.86)
d. Closing balance	737.30
(III) Movement of Net NPAs	
a. Opening balance	89.69
b. Additions during the year	316.93
c. Reductions during the year	(73.63)
d. Closing balance	332.99
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)	
a. Opening balance	112.81
b. Provisions made during the year	372.73
c. Write-off/write-back of excess provisions	(81.23)
d. Closing balance	404.30

H. ***Segment-wise Gross Stage 3 as at March 31, 2024***

Sr. No	Segment wise break up of AUM	Gross Stage 3 (%)
1.	**Retail**	
h.	Mortgages (home loans and loans against property)	2.42%
i.	Gold loans	3.83%
j.	Vehicle Finance	-
k.	MFI	-
l.	MSME	2.33%
m.	Capital market funding (loans against shares, margin funding)	0.00%
n.	Others	9.69%
2.	**Wholesale**	
f.	Infrastructure	-

Sr. No	Segment wise break up of AUM	Gross Stage 3 (%)
g.	Real estate (including builder loans)	5.59%
h.	Promoter funding	-
i.	Any other sector (as applicable)	-
j.	Others	-
	Gross NPA	**3.66%**

I. ***Residual Maturity Profile of Assets and Liabilities as on March 31, 2024***

(₹ in crore 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	3,326.23	3,564.23	2,057.03	2,123.45	2,649.36	4,162.08	491.36	53.10	18,426.84
Investments	59.77	24.13	NIL	NIL	NIL	13.69	NIL	5,059.00	5,156.58
Borrowings	273.44	1,012.22	637.90	1,858.94	2,655.39	8,943.38	3,254.16	1,375.48	20,010.90
Foreign Currency Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Currency Liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

J. ***Details of top 20 borrowers with respect to concentration of advances as on March 31, 2024***

(₹ in crore unless otherwise stated)

Particulars	Amount
Total Loans & Advances to twenty largest borrowers	1,423.19
Percentage of Loans & Advances to twenty largest borrowers to Total Advances to the Company	7.98%

K. ***Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2024***

(₹ in crore unless otherwise stated)

Particulars	Amount
Total Exposure to twenty largest borrowers / customers	1,574.80
Percentage of exposure to twenty largest borrowers / customers to Total Exposure to the Company	8.47%

L. ***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 crore unless otherwise stated)* (A)	Percentage of A (A/ exposure)	Percentage of A (A/Loan Book$)
1.	Mr. Shankar Subramanian	0.01	0.00%	0.00%

Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability.

Please refer to Risk Factor 11 *"Our contingent liabilities could adversely affect our financial condition." on page 30* of this Draft Shelf Prospectus.

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 the Shelf Prospectus and relevant Tranche Prospectus(es) with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

Auditors' Remarks
The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, 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:

Other than as disclosed in the chapter titled "*Risk Factors*", on page 23 and in the chapter titled "*Outstanding Litigations and Other Matters*", on page 323, there are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last three Fiscals, immediately preceding this Draft Shelf Prospectus.

Trading

The Equity Shares of the Issuer are listed on NSE and BSE.

The secured, redeemable non-convertible debentures of our Company are currently listed on NSE and/or 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 445.

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 Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es), 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 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, Nuvama Wealth Management 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	Vardhman Trusteeship Private Limited
Depositories	NSDL and CDSL
Registrar to the Issue	Link Intime India Private Limited
Issue	Public Issue by the Company of up to 2,50,00,000 secured, rated, listed, redeemable, Non-convertible Debentures of face value ₹ 1,000 each ("**NCDs**" or "**Debentures**"), aggregating up to ₹ 2,500 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 Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es). 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 NCS Master Circular, as amended from time to time.
Minimum Subscription	As specified in the relevant Tranche Prospectus(es)
Seniority	Senior
Issue Size	As specified in the relevant Tranche Prospectus(es)
Base Issue Size	As specified in the relevant Tranche Prospectus(es)
Option to Retain Oversubscription / Green shoe	As specified in the relevant Tranche Prospectus(es)

option (Amount)	
Eligible Investors	Please see "*Issue Procedure –Who can apply?"* on page 468.
Objects of the Issue / Purpose for which there is requirement of funds	Please see "*Object of the Issue*" on page 115.
Details of Utilization of the Proceeds	Please see "*Objects of the Issue*" on page 115.
Coupon rate	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Coupon Payment Date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Coupon Type	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Coupon reset process	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Interest Rate on each category of investor	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Step up/ Step Down Coupon rates	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Coupon payment frequency	As specified in the relevant Tranche Prospectus(es) 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(es) for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Redemption Premium/ Discount	As specified in the relevant Tranche Prospectus(es) 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(es) 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(es) for each Tranche Issue
Transaction Documents	Transaction Documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es) 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 511.
Put option date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Put option price	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus(es) 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 ₹ 5,000 crore by CRISIL vide their rating rationale dated September 30, 2024 read with rating letter dated October 25, 2024 and "[ICRA] AA (Stable)" for an amount of ₹ 5,000 crore by ICRA vide their rating rationale dated September 25, 2024 read with rating letter dated October 29, 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 ICRA are valid as on the date of this Draft Shelf Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchanges 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 exchanges 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 Draft Shelf Prospectus. There are no unaccepted ratings and any other ratings other than as specified in this Draft 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 from the date of Issue Closure for the Issue. NSE has been appointed as the Designated Stock Exchange. For more information see "*Other Regulatory and Statutory Disclosures*" on page 363.
Modes of payment	Please see *"Issue Structure – Terms of Payment"* on page 443.
Issue opening date	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Date of earliest closing of the issue, if any	As specified in the relevant Tranche Prospectus(es) 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 Exchanges, as the case may be.

	In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges will be deemed as the Record Date.
Settlement mode of instrument	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
Disclosure of interest/ Dividend/redemption dates	As specified in the relevant Tranche Prospectus(es) for each Tranche Issue
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Our Company shall comply with the representations and warranties, general covenants, negative covenants and reporting covenants as indicated below and as more specifically set out in the Debenture Trust Deed and the relevant Tranche Prospectus(es) for each relevant Tranche Issue. **Other Covenants** 1. Creation of security and maintenance of Security Cover; 2. Compliance with applicable law; 3. Maintenance of corporate existence; 2. Compliance with information covenants including submission of financial results and providing a certificate from the statutory auditor with respect to use of Issue proceeds; 3. Intimation to the Debenture Trustee prior to undertaking or entering into any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company; 4. Adherence of negative covenants; 5. Maintenance of statutory registers and proper books of accounts as required under applicable law; 6. Attending to the complaints received in respect of the NCDs expeditiously and satisfactorily; 7. Transfer of unclaimed interest to the "Investor Education and Protection Fund" in accordance with applicable law; 8. Enter the covenants of the issuance in the 'security and covenant monitoring system' hosted by the Depositories; and 9. Compliance with anti-money laundering laws. Any covenants later added shall be disclosed on the websites of the Stock Exchanges, where the NCDs are proposed to be listed.
Issue Schedule**	As specified in the relevant Tranche Prospectus(es) 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/ 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 Draft Shelf Prospectus	The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due and payable on the NCDs, shall be secured by way of first ranking pari passu charge by way of hypothecation over the receivables of the Company, both present and future, book debts, loans and advances and current assets of the Company that are in existence as on the date hereof and that shall come into existence at any time and from time to time hereafter (except those assets of the Company which are exclusively charged in favour of existing charge holders as of date and details of which are disclosed to the Debenture Trustee) such that a security cover of at least 100% of the outstanding principal amounts and interest thereon in respect of the Debentures is maintained at all times until the Maturity Date, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed for each of the relevant Tranche Issue. 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 Draft

	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 445.
Security Cover	Our Company shall maintain a minimum 1x security cover on the outstanding balance of the NCDs plus accrued interest thereon.
Replacement of Security interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the respective Tranche Prospectus	As specified in the relevant Tranche Prospectus(es) for each relevant Tranche Issue.
Condition precedent to the Issue	The following are the conditions precedent which our Company shall fulfil prior to the Deemed Date of Allotment to the satisfaction of the Debenture Trustee: 1. Certified true copies of the constitutional documents of the Company; 2. Resolutions of the Board of Directors and the Management Committee authorizing, inter alia, the Issue and the terms of the Issue; 3. Special resolutions under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013; 4. Credit rating letters from the Credit Rating Agency; 5. In-principle approval letters from the Stock Exchanges; 6. Execution of Transaction Documents; 7. Consent letters from the Debenture Trustee and the Registrar; 8. Receipt of the ISIN from the Depositories for the issuance of the NCDs; and 9. Such other information and documents as the Debenture Holders/Debenture Trustee may reasonably request, or as may be required under applicable law. The description above is indicative and a complete list of conditions precedent will be specified in the Debenture Trust Deed of the relevant Tranche Prospectus(es) of each relevant Tranche Issue.
Condition subsequent to the Issue	The following are the conditions subsequent which our Company shall fulfil on or after the Deemed Date of Allotment to the satisfaction of the Debenture Trustee: 1. Evidence of payment of stamp duty in connection with the issuance of NCDs; 2. Filing of form CHG-9 with the Registrar of Companies in accordance with the Companies Act, 2013 and other filings in relation to the perfection of the security; 3. Evidence of corporate actions for approving and allotting the NCDs; 4. Credit of the relevant NCDs in the specified dematerialised account(s) of the investors; 5. Evidence of listing of the NCDs on the Stock Exchanges; 6. Filing of a return of allotment on the issue of the NCDs in Form PAS-3 pursuant to the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the Registrar of Companies; and 7. Certificate from the statutory auditor confirming the complete utilisation of the Issue proceeds. The description above is indicative and a complete list of conditions subsequent will be specified in the Debenture Trust Deed of the relevant Tranche Prospectus(es) of each relevant Tranche 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 447.
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 Draft 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 447.
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(es)) 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 447.
Risk factors pertaining to the Issue	Please see section titled "*Risk Factors*" on page 23.
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. 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(es). 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(es) 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 exchanges 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 Exchanges. 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 see "General Information" on page 59.*
**For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 511.*
If there is any change in coupon rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change will be disclosed to the Stock Exchanges.
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(es) 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 / Redemption"* on page 458.

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 Draft 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 NCS 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. 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 467.

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on October 31, 2024, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 2,500 crore in one or more tranches. Further, the present borrowing is within the borrowing limits of ₹ 35,000 crore 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 September 30, 2019.

This Draft Shelf Prospectus has been approved by the Finance Committee at its meeting held on November 13, 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(es) 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 Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es), 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 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 ranking pari passu charge by way of hypothecation over the receivables of the Company, both present and future, book debts, loans and advances and current assets of the Company that are in existence as on the date hereof and that shall come into existence at any time and from time to time hereafter (except those assets of the Company which are exclusively charged in favour of existing charge holders as of date and details of which are disclosed to the Debenture Trustee) such that a security cover of at least 100% of the outstanding principal amounts and interest thereon in respect of the Debentures is maintained at all times until the Maturity Date, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed for each of the relevant Tranche Issue.

We have received necessary consents from the relevant debenture trustees and security trustees for creating of first *pari passu* 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 Draft Shelf Prospectus together with all interest due and payable on the NCDs, shall be secured by way of first ranking pari passu charge by way of hypothecation over the receivables of the Company, both present and future, book debts, loans and advances and current assets of the Company that are in existence as on the date hereof and that shall come into existence at any time and from time to time hereafter (except those assets of the Company which are exclusively charged in favour of existing charge holders as of date and details of which are disclosed to the Debenture Trustee) such that a security cover of at least 100% of the outstanding principal amounts and interest thereon in respect of the Debentures is maintained at all times until the Maturity Date, created in favor of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed for each of the relevant Tranche Issue.

We have received necessary consents from the relevant debenture trustees and security trustees for creating a first *pari-passu* 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 or 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 Draft 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 Draft 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 Regulation 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 Draft 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 Vardhman Trusteeship Private 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), (iv) and (v) 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. Default is committed in maintenance of adequate security cover
vi. 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 this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es), 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.

vii. 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;

viii. 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

ix. The Company ceases to carry on its business or gives notice of its intention to do so;

x. 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;

xi. 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

u) 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.

xii. 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);

xiii. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;

xiv. If it becomes unlawful for the company to perform any of its obligations under any transaction document;

xv. 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;

xvi. 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.

xvii. 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.

xviii. 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;

xix. Any misrepresentation in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es) and the Transaction Documents which have material impact on debenture holders.

xx. Revocation of business, operating license; and

xxi. Any other event described as an Event of Default in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es) 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 this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es), 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 Draft 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 467.

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 454 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(es)
Issue Closes On	As specified in respective Tranche Prospectus(es)
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(es)) 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(es). 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(es) 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 exchanges 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 Exchanges. 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 Exchanges, 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 Exchanges. 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(es) 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 Draft 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 458.

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 www.iifl.com or the Registrar at www.linkintime.co.in, from time to time.

Registrar to the Issue

Link Intime India Private Limited
C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli
Mumbai 400 083, Maharashtra, India
Tel: +91 810 811 4949
Fax: +91 22 4918 6060
Email: iiflfinance.ncd2024@linkintime.co.in
Investor Grievance mail: iiflfinance.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 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 467, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft 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 Draft 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 NCS 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 NCS Master Circular will be disclosed in the relevant Tranche Prospectus(es).

Maturity and Redemption

As specified in the relevant Tranche Prospectus(es).

Put / Call Option

As specified in the relevant Tranche Prospectus(es).

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(es)) shall be available to the Debenture holders from the deemed date of allotment.

Application in the Issue

NCDs being issued through this Draft 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 Draft 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 Draft 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 452.

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

Not applicable.

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 Draft 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 Draft 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 Draft 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 exchanges 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 NCS 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 467.

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(es) (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(es). 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(es) 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 Draft 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(es) 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.

Filing of the Draft Shelf Prospectus

This Draft Shelf Prospectus shall be filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Shelf Prospectus has also been displayed on the websites of the Company and the Lead Managers.

Filing of the Shelf Prospectus and the relevant Tranche Prospectus(es) with the RoC

A copy of the Shelf Prospectus and the relevant Tranche Prospectus(es) shall be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in 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 the relevant Tranche Prospectus(es) with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

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 496.

Listing

The NCDs offered through this Draft 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 [•] dated [•] and from NSE *vide* their letter bearing reference number [•] dated [•]. 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 NCS 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 Draft 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.

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 the SEBI NCS Regulations with the Designated Stock Exchange and 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.

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI NCS 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 NCS 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). Further, all individual investors applying in public issue through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), where the application amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum-application form submitted with intermediaries.*

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 Draft Shelf Prospectus.

Please note that this section has been prepared based on the SEBI NCS Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Specific attention is drawn to the SEBI NCS 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 Draft 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 EXCHANGES WILL NEED TO APPROACH THE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE RELEVANT TRANCHE PROSPECTUS(ES), 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 EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE(S) WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.

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 Draft Shelf Prospectus.

Availability of this Prospectus, Abridged Prospectus and Application Forms

The copies of this Draft Shelf Prospectus, the Tranche Prospectus(es) Abridged Prospectus, together with Application Forms may be obtained from our Registered Office, Lead Managers to the Issue, Consortium Members for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, this Draft Shelf Prospectus and the Application Forms will be available for download on the website of BSE at www.bseindia.com and of NSE at www.nseindia.com. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchanges i.e., BSE at www.bseindia.com and at NSE at www.nseindia.com. Hyperlinks to the website of the Stock Exchanges for this facility will be provided on the websites of the Lead Managers and the SCSBs.

In addition, Application Forms would also be made available to all the recognised stock exchanges. Further, Application Forms will also be provided to Trading Members at their request.

Our Company may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders'

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 crore, 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 Exchanges 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 Exchanges.

***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 Draft Shelf Prospectus.

How to apply?

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus(es), Abridged Prospectus and Application Forms.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus and relevant Tranche Prospectus(es) for each relevant Tranche Issue together with Application Forms and copies of the Draft Shelf Prospectus / Shelf Prospectus and relevant Tranche Prospectus(es) 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 this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus(es) 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, www.nuvama.com and www.iiflcap.com.
(ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic copies of this Draft Shelf Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the 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 Exchanges 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 NCS 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 NCS 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 Exchanges 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 Exchanges 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 NCS 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 NCS 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 Exchanges. 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

This Draft Shelf Prospectus shall be filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Shelf Prospectus has also been displayed on the websites of the Company and the Lead Managers.

Filing of the Shelf Prospectus and relevant Tranche Prospectus(es) with ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) 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(es) 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 Draft 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 exchanges 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 exchanges 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 NCS Master Circular.
20. The RTA, based on information of bidding and blocking received from the Stock Exchanges, 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 Exchanges) 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 Exchanges 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 exchanges 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 Draft 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 Draft 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 Draft 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 Exchanges at www.bseindia.com and www.nseindia.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 NCS 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 Exchanges. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchanges, the bid will automatically be uploaded onto the Stock Exchanges 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 Draft 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 437.
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 this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es), 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 NCS 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 NCS Master Circular, instructions to investors for completing the application form as specified in Annex- IIC of the SEBI NCS 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 Draft 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 Draft 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 Draft 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 NCS 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 Exchanges 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 437.

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 Draft 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 Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus(es) 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 Exchanges 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 Exchanges, 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.
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 437;
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 NCS 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 NCS 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 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;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. 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;
9. 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;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. 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
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. 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;
18. 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
19. Do not submit more than five Application Forms per ASBA Account.
20. 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;
21. 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;
22. 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 496 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 467.

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 July 27, 2020 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.

2. Tripartite Agreements dated March 11, 2005 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 467.

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 Draft Shelf Prospectus in the section titled "*Terms of the Issue*" on page 445 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 Draft 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 and its website.

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 Draft 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;
- 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 the 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 Draft 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(es) for each Tranche Issue.

Basis of Allotment

As specified in the relevant Tranche Prospectus(es) for each Tranche Issue.

Allocation Ratio

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus(es) 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

Investor Withdrawal: *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.*

Pre-closure/ 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(es) (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 exchanges 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 - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The key provisions of the Articles relating to issue of securities and matters incidental hereto have been set out below. Please note that each provision herein below is numbered as per the corresponding Articles. All other defined terms used herein shall have the meaning ascribed to such term in the Articles. Any reference to the term "**Article**" hereunder means the corresponding article forming part of the Articles.

Article Number	Table F not to apply but Company to be goverened by these articles
1	The regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its Articles by special resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of Companies Act, 2013, rules made there under or any amendment or notification thereto.
CAPITAL AND INCREASE AND REDUCTION OF CAPITAL	
6	Division of Capital: (1) The Authorised Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company. (2) The Company shall be entitled to issue, offer and allot fresh and further shares, Debentures and other Securities in dematerialized form pursuant to and in accordance with the provisions under the Depositories Act and it shall also be entitled to dematerialise its existing shares, Debentures and other Securities, subject to the provisions of the Act. In this connection, the Company shall comply with all the applicable provisions of the Depositories Act.
7	Share under the control of the Board: Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may 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 a premium or at par or (subject to compliance with the provisions of Section 54 of the Act) at a discount or as may be prescribed under the act and at such times as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option to call for or be allotted any class of shares of the Company either at par or at a premium or, subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit.
8	Power of Company in General Meeting to issue Shares: In addition to and without derogating from the powers for that purpose conferred on the Board under Article 7, the Company in general meeting may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Section 53 of the Act) at a discount, as such general meeting shall determine and with full power to give any person (whether

	a Member or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par, or (subject to compliance with the provisions of Section 54 of the Act)at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.
9	Increase in capital: The Company by a Resolution in general meeting may from time to time, increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as Board shall determine; and in particular, such shares may be issued with a preferential or qualified or differential right to dividends and in distribution of assets of the Company, and with a right of voting at general meetings of the Company.
58	Company's Lien on Shares/ Debentures: The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 30 hereof is to have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
BORROWING POWERS	
89	Power to borrow: Subject to the provisions of the Sections 179 and 180 of the Act, the Board may, from time to time at its discretion accept deposits from Members or from the public, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid –up capital of the Company and its free reserves, the Board shall not borrow such money's without the consent of the Member in General Meeting.
90	Payment or repayment of moneys borrowed: Subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the

	Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by a circular resolution) including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.
91	<u>Terms of issue of debentures</u>: Any issue of debentures, debenture stock, bonds or other securities shall be governed by Section 71 of the Act. This Article and Article 89 shall be subject to the said provisions. In the case of the Company giving a charge on any of its property, the provisions of Sections 2(16), 77 to 87 of the Act shall apply thereto. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.
92	<u>Register of Mortgages etc. to be kept</u>: The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of the mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirement of Sections 71, 77 and 79 to 85 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.
93	<u>Register and index of Debenture holders</u>: The Company shall, if at any time issues debentures, keep a Register and Index of debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture holders resident in that state or country.
MEETING OF MEMBERS	
98	<u>Annual General Meeting:</u> a) Subject to Section 96 of the Act, the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall lapse between the date of one annual general meeting of the Company and that of the next, subject however to the right of the Registrar under the Act to extend the time within which any annual general meeting may be held. b) Every annual general meeting shall be called for at a time during business hours i.e. between 9:00 am and 6:00pm on any day that is not a national holiday and shall be held either at registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.
100	<u>Calling of Extraordinary General Meetings</u>: The Directors may, whenever they think fit, convene an Extraordinary General Meeting and they shall on requisition of such number of Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in

	compliance with Section 100 of the Act, forthwith proceed to convene Extraordinary General Meeting.
101	<u>Participation through Electronic Mode</u>: Notwithstanding anything contrary contained in these Articles, of the Company may provide Video Conference facility and/ or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable tothe Company for the time being in force.
DIRECTORS	
141	<u>Number of Directors.</u> Until otherwise determined by a general meeting of the Company and subject to the provision of Section 149 and Section 151 of the Act, the number of directors shall not be less than three or more than fifteen. Subject to the provisions of Section 149 of the Act, the Company, in General Meeting, may by ordinary resolution, increase or reduce the number of its Directors within the said limits and the Company may appoint more than 15 Directors after passing a Special Resolution.
144 145	<u>Nominee Directors.</u> Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons, (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by other Directors. If the Nominee Director/s is an officer of any of the financial institution(s) the sitting fees in relation to such nominee Directors shall accrue to such financial institution(s) and the same accordingly be paid by the Company to them. The Financial Institution(s) shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s. <u>Debenture Directors</u>:

145A	If it is provided by the trust deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another director may be appointed in his place. A debenture Director shall not be bound to hold any qualification shares. A Debenture Director shall not be liable to retire by rotation <u>Investor Director</u> Until such time that the Investor or his affiliates continue to beneficially own 8% of the equity share capital of the Company, the Investor may nominate 1 (One) director (Investor Director), who shall not be liable to retire by rotation. No Person, other than the Investor, shall have the power or right to remove and replace the Investor Director, unless such Investor Director has been removed due to any illegal/ immoral act, fraud or dishonesty. To the extent permissible the Act, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal, unless the contrary intention appears, shall take effect from the date it is notified to the Company in writing. If the Act does not permit the Person nominated by the Investor to be appointed as a director or additional director of the Company merely by nomination by the Investor, the Board shall ensure that the Board forthwith (and in any event within 2 (Two) days of such nomination or at the next Board meeting, whichever is earlier) appoints such Person as a director or additional director, as the case may be, of the Company and further ensure that, unless the Investor changes or withdraws such nomination, such Person shall also be elected as a director of the Company at the next general meeting of the shareholders of the Company.
163 172	<u>Proceedings of Directors:</u> (a) The Board of Directors may meet together for the conduct of business, adjourn and otherwise regulate its meetings and proceedings as it may think fit. (b) A meeting of the Board of Directors shall be held at least four such meetings in every year. Not more than one hundred and twenty days shall elapse between two consecutive meetings of the Board. Notice of every meeting shall be given to every Director as provided in Section 173 of the Act. (c) The Chairperson or any one Director with the previous consent of the chairperson may, or the company secretary or some other person upon the request of a Director on the direction of the chairperson shall, at any time, summon a meeting of the Board. (d) Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other director. <u>Resolution by Circular</u> (1) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the Members of the Committee, as the case may be at their addresses registered with the Company in India by hand delivery or by post or courier or through electronic means. Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

	(2) A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly called and held.
165	<u>Quorum for Meetings</u>: (a) Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one third being rounded off as one) or two directors whichever is higher; provided that where at any meeting the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of remaining directors, that is to say the number of the directors who are not interested and are present at the meeting, being not less than two shall be quorum during such time. The provisions of Section 174 of the Act shall apply where a meeting is adjourned for want of a quorum. The attendance at the meeting of the Board shall be in accordance with the provisions of the Act and the Rules made thereunder. Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in Articles of Association. (b) For the purpose of Clause (a)- (i) 'Total Strength' means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of directors, if any, whose places may be vacant at the time, and (ii) 'Interested Directors' means any Director whose presence cannot by reason of Article 165 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of discussion or vote on any matter.
167	<u>Board may appoint Chairman.</u>: In case there is no permanent chairman is appointed, the Board may elect a Chairman of their meeting and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting, the Chairman is not present within thirty minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairman of the Meeting.
166 164	<u>Decision of Questions.</u> Subject to the provisions of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote. <u>Participation through Electronic Mode.</u> Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/ or other permissible electronic or virtual facilities for communication. Such participation by

	the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.
RETIREMEN AND ROTATION OF DIRECTOR	
157	Retirement of Directors by rotation: (1) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation; and save as otherwise expressly provided by the Act, be appointed by the Company in General Meeting. At every annual general meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The provisions in respect of retirement of Directors by rotation shall not be by rotation applicable to the appointment of Independent Directors. (2) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. (3) At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for re-appointment or some other person thereto. (4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a National holiday, till the next succeeding day which is not a National holiday at same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless: (i) at the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to the vote and lost; (ii) the retiring Director has by a notice in writing addressed to the Comp any or its Board of Directors, expressed his unwillingness to be reappointed; (iii) he is not qualified or is disqualified for appointment; (iv) a resolution, whether special or ordinary, is required for his appointment by virtue of any of the provisions of the Act; or (v) The provision to Section 162 of the Act is applicable to the case.
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER	
183	(a) Subject to the provisions of the Act,— i. A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer or any other Key Managerial Personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company

	secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. KEY MANAGERIAL PERSONNEL
184.	1. Subject to Section 203 of the Act and any other applicable provisions of the Act, the Company shall appoint by means of resolution of the Board, the following Key managerial Personnel: • Managing Director, or Chief Executive Officer or Manager and in their absence; a whole-time Director; • Company Secretary; and • Chief Financial Officer. 2. Every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. 3. A whole-time Key Managerial Personnel shall not hold office in more than one company except in its subsidiary company at the same time. Provided that nothing contained in this Article shall disentitle a Key Managerial Personnel from being a director of any company with the permission of the Board. Provided also that the Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the Directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India. If the office of any whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.
WINDING UP	
219	<u>Distribution of Assets</u>: If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up on which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.
SECRECY UNDERTAKING	

221	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a committee, agent, officer, servant, accountant of other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholder if any or by a Court of Law, or by the person to whom the matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

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 Draft Shelf Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated November 13, 2024 executed between our Company and the Lead Managers.

2. Registrar Agreement dated November 6, 2024 executed between our Company and the Registrar to the Issue.

3. Debenture Trustee Agreement dated November 6, 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 July 27, 2020 among our Company, the Registrar to the Issue and CDSL.

6. Tripartite agreement dated March 11, 2005 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 October 18, 1995 as a private limited company with the name Probity Research & Services Private Limited, issued by Registrar of Companies, Mumbai.
3. Fresh Certificate of Incorporation of our Company dated April 28, 2000, issued by Registrar of Companies, Mumbai, consequent upon conversion from private limited to public limited company and change of name of our Company to Probity Research & Services Limited.
4. Fresh Certificate of Incorporation of our Company dated May 23, 2000, issued by Registrar of Companies, Mumbai, consequent upon change of name of our Company to India Infoline.Com Limited.
5. Fresh Certificate of Incorporation of our Company dated March 23, 2001, issued by Registrar of Companies, Mumbai, consequent upon change of name of our Company to India Infoline Limited.
6. Fresh Certificate of Incorporation of our Company dated February 18, 2014, issued by Registrar of Companies, Mumbai, consequent upon change of name of our Company to IIFL Holdings Limited.
7. Fresh Certificate of Incorporation of our Company dated May 24, 2019, issued by Registrar of Companies, Mumbai, consequent upon change of name of our Company to IIFL Finance Limited.
8. Certificate of Registration dated March 6, 2020 bearing registration no. N-13.02386 issued by the Reserve Bank of India.
9. Copy of shareholders' resolution on September 30, 2019 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.

10. Copy of the resolution passed by the Board of Directors at their meeting held on October 31, 2024 approving the issue of NCDs through public issues.

11. Copy of the resolution passed by the Finance Committee at their meeting held on November 13, 2024 approving this Draft Shelf Prospectus.

12. Credit rating letter dated October 25, 2024 by CRISIL assigning a rating of "CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook)" for the Issue with rating rationale dated September 30, 2024.

13. Credit rating letter dated October 29, 2024 by ICRA assigning a rating of "[ICRA] AA (Stable)" for the Issue with rating rationale dated September 25, 2024.

14. 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) Bankers to Company; (h) Credit Rating Agencies; (i) the Debenture Trustee for the Issue; (j) Consortium Member*; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank*; (l) Lenders, to act in their respective capacities, have been obtained from them and the same shall be filed along with a copy of the Shelf Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013.
**These consents will be obtained at each tranche stage*

15. Consent of CRISIL MI&A as the agency issuing the industry report titled "NBFC Report August 2024" forming part of the section titled "*Industry Overview*".

16. Industry report titled "NBFC Report August 2024" issued by CRISIL MI&A, forming part of the section titled "*Industry Overview*".

17. Our Company has received the written consent dated November 13, 2024 from Sharp & Tannan Associates, Chartered Accountants and G.M. Kapadia & Co. Chartered Accountants (Current Joint Statutory Auditors), to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft 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: (i) H1 2025 Unaudited Financial Results along with the limited review report dated October 23, 2024; (ii) report on the Statement of Possible Tax Benefits dated November 13, 2024, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

18. Our Company has received the written consent dated November 13, 2024 from Sharp & Tannan Associates, Chartered Accountants and Chhajed & Doshi, Chartered Accountants (Erstwhile Joint Statutory Auditors), to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft 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: (i) Audited Consolidated Financial Statements for Fiscal 2024 along with audit report dated June 15, 2024; and (ii) Audited Standalone Financial Statements for Fiscal 2024 along with audit report dated June 15, 2024, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

19. Our Company has received the written consent dated November 13, 2024 from Chhajed & Doshi, Chartered Accountants and V Sankar Aiyar & Co. 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 Draft 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: (i) Audited Consolidated Financial Statements for Fiscal 2023 along with audit report dated April 26, 2023; and (ii) Audited Standalone Financial Statements for Fiscal 2023 along with audit report dated April 26, 2023; (iii) Audited Consolidated Financial Statements for Fiscal 2022 along with audit report dated April 28, 2022; and (iv) Audited Standalone Financial Statements for Fiscal 2022 along with audit report dated April 28, 2022, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

20. The report on statement of possible tax benefits dated November 13, 2024 issued by Sharp & Tannan Associates, Chartered Accountants and G.M. Kapadia & Co. Chartered Accountants

21. H1 2025 Unaudited Financial Results along with the limited review report dated October 23, 2024.

22. Annual Report of our Company for the last three financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

23. In-principle listing approval from BSE by its letter no. [●] dated [●], 2024.

24. In-principle listing approval from NSE by its letter no. [●] dated [●], 2024

25. Due Diligence Certificate dated [•] filed by Trust Investment Advisors Private Limited and Nuvama Wealth Management Limited with SEBI.

26. Due Diligence certificate dated November 13, 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Shelf Prospectus is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association. We further certify that the contents of this Draft 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

Arun Kumar Purwar Chairman & Non- Executive Director **DIN:** 00026383	Nirmal Bhanwarlal Jain Managing Director **DIN:** 00010535	Venkataraman Rajamani Joint Managing Director **DIN:** 00011919
Nirma Anil Bhandari Additional Director **DIN**: 02212973	Gopalakrishnan Soundarajan Non-Executive Director **DIN:** 05242795	Tritala Subramanian Ramakrishnan Non-Executive Nominee Director **DIN:** 09515616
Bijou Kurien Independent Director **DIN:** 01802995	Ramakrishnan Subramanian Independent Director **DIN**: 02192747	Nihar Niranjan Jambusaria Independent Director **DIN:** 01808733

Date: November 13, 2024

Place: Mumbai

ANNEXURE A – RATING, RATIONALE AND PRESS RELEASE

[*Please see appended overleaf*]

CRISIL Ratings

CONFIDENTIAL

RL/IIHOLI/353257/NCD/1024/101203/112980696
October 25, 2024

Mr. Govind Modani
Vice President
IIFL Finance Limited
Office No. 1, 8th Floor, Hubtown Solaris,
NS Phadke Marg Andheri,
West Flyover, Vijay Nagar, Near East,
Mumbai City - 400069

Dear Mr. Govind Modani,

Re: CRISIL Rating on the Rs.5000 Crore Non Convertible Debentures&^ of IIFL 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/IIHOLI/353257/NCD/0924/99351/112980696

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 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 at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Vani Ojasvi
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

& Interchangeable between secured and subordinated debt
^For retail bond issuance

CRISIL Ratings

Rating Rationale

September 30, 2024 | Mumbai

IIFL Finance Limited

Long-term rating removed from 'Watch Developing'; Ratings reaffirmed

Rating Action

Total Bank Loan Facilities Rated	**Rs.7000 Crore**
Long Term Rating	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**

Rs.859 Crore (Reduced from Rs.959 Crore) Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.5000 Crore Non Convertible Debentures&^	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.1134.88 Crore Non Convertible Debentures&^	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.300 Crore Perpetual Bonds	**CRISIL AA-/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**
Rs.500 Crore Commercial Paper Programme(IPO Financing)	**CRISIL A1+ (Reaffirmed)**
Rs.8500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.2698.02 Crore&	**CRISIL AA/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)**

& Interchangeable between secured and subordinated debt
^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 Finance Limited (IIFL Finance) 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.

CRISIL Ratings has also **withdrawn** its rating on long term principal protected market linked debentures of Rs.100 crore (See 'Annexure - Details of Rating Withdrawn' for details) in line with its withdrawal policy. CRISIL Ratings has received independent confirmation that these instruments are fully redeemed.

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 4780 branches 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 sensitivity factor**
  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 Finance had surplus cash of Rs 1436 crore as on August 31, 2024. This is sufficient to meet debt obligation of Rs 1345 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

IIFL Finance group is likely to maintain adequate capitalisation while restoring its growth momentum in the gold loan as well as overall portfolio, which is expected to aid overall profitability.

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 Finance (standalone; CRISIL Ratings-adjusted numbers)

As on / for the period	Unit	Mar 31, 2024/ FY24	Mar 31, 2023/ FY23
Total assets	Rs crore	27,588	24,082
Total income (net of interest expenses)	Rs crore	2,932	2,633
PAT	Rs crore	585	806
GNPA	%	3.7	1.3
RoMA	%	1.6	2.4
On-book gearing	Times	3.6	3.4

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 level	Rating assigned with outlook
INE530B07104	Non-convertible debentures #	30-Jun-21	8.33%	30-Jun-28	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures #	30-Jun-21	8.33%	30-Jun-29	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures #	30-Jun-21	8.33%	30-Jun-30	125	Simple	CRISIL AA/Stable
INE530B07104	Non-convertible debentures #	30-Jun-21	8.33%	30-Jun-31	125	Simple	CRISIL AA/Stable
INE530B07195	Non-convertible debentures #	21-Jan-22	8.50%	21-Jan-32	10	Simple	CRISIL AA/Stable
INE530B07203	Non-convertible debentures #	24-Mar-22	8.60%	24-Mar-32	60	Simple	CRISIL AA/Stable
INE530B08128	Subordinated NCD #	24-Mar-22	9.35%	24-Mar-32	50	Complex	CRISIL AA/Stable
INE866I08279	Subordinated NCD #	07-Feb-19	10.00%	07-Feb-29	31.02	Complex	CRISIL AA/Stable
INE866I08295	Subordinated NCD #	07-Feb-19	10.50%	07-Feb-29	15.45	Complex	CRISIL AA/Stable
INE866I08303	Subordinated NCD #	06-Sep-19	10.00%	06-Jun-25	25.93	Complex	CRISIL AA/Stable
INE866I08311	Subordinated NCD #	06-Sep-19	Zero Coupon	06-Jun-25	5.78	Complex	CRISIL AA/Stable
INE530B07237	Non-convertible debentures #	01-Nov-22	9.45%	01-Nov-32	550	Simple	CRISIL AA/Stable
INE530B08136	Subordinated NCD #	26-Jul-22	9.65%	26-Jul-32	125	Complex	CRISIL AA/Stable
INE530B08136	Subordinated NCD #	12-Sep-22	9.65%	26-Jul-32	80	Complex	CRISIL AA/Stable
INE530B08136	Subordinated NCD #	04-Nov-22	9.65%	26-Jul-32	30	Complex	CRISIL AA/Stable
INE530B08151	Subordinated NCD #	08-May-23	9.20%	08-May-33	35	Complex	CRISIL AA/Stable
INE530B07211	Non-convertible debentures #	15-Jul-22	9%	15-Jul-32	10	Simple	CRISIL AA/Stable
INE530B08144	Non-convertible debentures #	27-Dec-22	9.45%	27-Dec-32	65	Simple	CRISIL AA/Stable
INE866I08246	Subordinated NCD #	21-Nov-17	8.70%	19-Nov-27	100	Complex	CRISIL AA/Stable
INE530B07401	Non-convertible debentures #	20-Mar-24	9.50%	20-Mar-27	500	Simple	CRISIL AA/Stable
NA	Non-convertible debentures#**	NA	NA	NA	504.84	Simple	CRISIL AA/Stable
INE530B07146	Non-convertible debentures&#	14-Oct-21	8.50%	14-Oct-24	94.08	Simple	CRISIL AA/Stable
INE530B07153	Non-convertible debentures&#	14-Oct-21	Zero Coupon	14-Oct-24	57.31	Simple	CRISIL AA/Stable
INE530B07161	Non-convertible debentures&#	14-Oct-21	8.42%	14-Oct-26	147.25	Simple	CRISIL AA/Stable
INE530B07179	Non-convertible debentures&#	14-Oct-21	8.75%	14-Oct-26	136.08	Simple	CRISIL AA/Stable
INE530B07187	Non-convertible debentures&#	14-Oct-21	Zero Coupon	14-Oct-26	29.31	Simple	CRISIL AA/Stable
INE530B08094	Subordinated NCD &#	24-Mar-21	10%	24-Jun-28	274.69	Complex	CRISIL AA/Stable
INE530B08102	Subordinated NCD &#	24-Mar-21	9.60%	24-Jun-28	328.02	Complex	CRISIL AA/Stable
INE530B08110	Subordinated NCD &#	24-Mar-21	Zero Coupon	24-Jun-28	68.14	Complex	CRISIL AA/Stable
INE530B07260	Non-convertible debentures&#	24-Jan-23	9	24-Jan-28	118.9332	Simple	CRISIL AA/Stable
INE530B07294	Non-convertible debentures&#	24-Jan-23	8.75	24-Jan-26	57.2141	Simple	CRISIL AA/Stable
INE530B07302	Non-convertible debentures&#	24-Jan-23	Zero Coupon	24-Jan-25	30.068	Simple	CRISIL AA/Stable

INE530B07252	Non-convertible debentures&#	24-Jan-23	8.5	24-Jan-25	45.6339	Simple	CRISIL AA/Stable
INE530B07278	Non-convertible debentures&#	24-Jan-23	Zero Coupon	24-Jan-28	37.857	Simple	CRISIL AA/Stable
INE530B07286	Non-convertible debentures&#	24-Jan-23	Zero Coupon	24-Jan-26	24.1343	Simple	CRISIL AA/Stable
INE530B07310	Non-convertible debentures&#	24-Jan-23	8.65	24-Jan-28	158.2677	Simple	CRISIL AA/Stable
INE530B07336	Non-convertible debentures&#	28-Jun-23	8.35	28-Jun-25	46.9841	Simple	CRISIL AA/Stable
INE530B07344	Non-convertible debentures&#	28-Jun-23	8.5	28-Jun-26	123.584	Simple	CRISIL AA/Stable
INE530B07351	Non-convertible debentures&#	28-Jun-23	Zero Coupon	28-Jun-26	8.9101	Simple	CRISIL AA/Stable
INE530B07369	Non-convertible debentures&#	28-Jun-23	Zero Coupon	28-Jun-28	37.515	Simple	CRISIL AA/Stable
INE530B07377	Non-convertible debentures&#	28-Jun-23	9	28-Jun-28	131.9425	Simple	CRISIL AA/Stable
INE530B07385	Non-convertible debentures&#	28-Jun-23	8.65	28-Jun-28	88.9121	Simple	CRISIL AA/Stable
INE530B07393	Non-convertible debentures&#	28-Jun-23	Zero Coupon	28-Jun-25	14.2375	Simple	CRISIL AA/Stable
NA	Non-convertible debentures&#**	NA	NA	NA	4075.8065	Simple	CRISIL AA/Stable
NA	Long-term principal protected market linked debentures**	NA	NA	NA	859	Highly Complex	CRISIL PPMLD AA/Stable
NA	Perpetual bonds**	NA	NA	NA	300	Highly Complex	CRISIL AA-/Stable
NA	Commercial paper programme (IPO financing)	NA	NA	7-30 days	500	Simple	CRISIL A1+
NA	Commercial paper	NA	NA	7-365 days	8500	Simple	CRISIL A1+
NA	Term loan - 1	NA	NA	31-Aug-25	187.37	NA	CRISIL AA/Stable
NA	Term loan - 2	NA	NA	31-Dec-25	370	NA	CRISIL AA/Stable
NA	Term loan - 3	NA	NA	30-Sep-26	62.26	NA	CRISIL AA/Stable
NA	Term loan - 4	NA	NA	01-Mar-27	30.47	NA	CRISIL AA/Stable
NA	Term loan - 5	NA	NA	28-Feb-25	25	NA	CRISIL AA/Stable
NA	Term loan - 6	NA	NA	30-Mar-25	145.4	NA	CRISIL AA/Stable
NA	Term loan - 7	NA	NA	25-Jan-25	29.82	NA	CRISIL AA/Stable
NA	Term loan - 8	NA	NA	01-Dec-25	50	NA	CRISIL AA/Stable
NA	Term loan - 9	NA	NA	29-Jun-27	157.76	NA	CRISIL AA/Stable
NA	Term loan - 10	NA	NA	22-Aug-24	14.29	NA	CRISIL AA/Stable
NA	Term loan - 11	NA	NA	31-Dec-25	45	NA	CRISIL AA/Stable
NA	Term loan - 12	NA	NA	14-Dec-27	366.27	NA	CRISIL AA/Stable
NA	Term loan - 13	NA	NA	29-Feb-28	187.29	NA	CRISIL AA/Stable
NA	Term loan - 14	NA	NA	29-Mar-28	221.74	NA	CRISIL AA/Stable
NA	Term loan - 15	NA	NA	08-Aug-25	250	NA	CRISIL AA/Stable
NA	Term loan - 16	NA	NA	01-Oct-26	77.27	NA	CRISIL AA/Stable
NA	Term loan - 17	NA	NA	30-Sep-26	56.25	NA	CRISIL AA/Stable
NA	Term loan - 18	NA	NA	01-Nov-27	655.76	NA	CRISIL AA/Stable
NA	Term loan - 19	NA	NA	30-Nov-28	224.86	NA	CRISIL AA/Stable
NA	Term loan - 20	NA	NA	30-Sep-28	425	NA	CRISIL AA/Stable
NA	Term loan - 21	NA	NA	30-Dec-26	208.27	NA	CRISIL AA/Stable
NA	Term loan - 22	NA	NA	29-Dec-26	137.5	NA	CRISIL AA/Stable
NA	Term loan - 23	NA	NA	27-Jan-29	569.93	NA	CRISIL AA/Stable
NA	Term loan - 24	NA	NA	31-Jan-28	499.83	NA	CRISIL AA/Stable
NA	Cash credit	NA	NA	NA	25	NA	CRISIL AA/Stable
NA	Working capital demand loan	NA	NA	NA	300	NA	CRISIL AA/Stable
NA	Proposed long-term bank loan facility*	NA	NA	NA	1677.66	NA	CRISIL AA/Stable

 # Interchangeable between secured and subordinated debt
*** Not yet issued*
& For retail bond issuance
**Interchangeable with short-term bank loan facility*

Annexure - Details of Rating Withdrawn

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
INE530B07112	Long Term Principal Protected Market Linked Debentures	07-Sep-21	GSEC Linked	07-Sep-24	100.00	Highly Complex	Withdrawn

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	7000.0	CRISIL AA/Stable	13-09-24	CRISIL AA/Watch Developing	27-12-23	CRISIL AA/Positive	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	CRISIL AA/Negative
			--	12-07-24	CRISIL AA/Watch Developing	12-12-23	CRISIL AA/Positive	11-03-22	CRISIL A1+ / CRISIL AA/Stable		--	--
			--	26-03-24	CRISIL AA/Watch Developing	20-11-23	CRISIL AA/Positive		--		--	--
			--	12-03-24	CRISIL AA/Watch Developing	14-06-23	CRISIL AA/Stable		--		--	--
			--	28-02-24	CRISIL AA/Positive	26-05-23	CRISIL AA/Stable		--		--	--
			--	09-02-24	CRISIL AA/Positive	06-03-23	CRISIL AA/Stable		--		--	--
			--		--	07-02-23	CRISIL AA/Stable		--		--	--
			--		--	06-01-23	CRISIL AA/Stable		--		--	--
Commercial Paper	ST	8500.0	CRISIL A1+	13-09-24	CRISIL A1+	27-12-23	CRISIL A1+	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	CRISIL A1+
			--	12-07-24	CRISIL A1+	12-12-23	CRISIL A1+	11-03-22	CRISIL A1+		--	--
			--	26-03-24	CRISIL A1+	20-11-23	CRISIL A1+		--		--	--
			--	12-03-24	CRISIL A1+	14-06-23	CRISIL A1+		--		--	--
			--	28-02-24	CRISIL A1+	26-05-23	CRISIL A1+		--		--	--
			--	09-02-24	CRISIL A1+	06-03-23	CRISIL A1+		--		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
			--		--	06-01-23	CRISIL A1+		--		--	--
Commercial Paper Programme(IPO Financing)	ST	500.0	CRISIL A1+	13-09-24	CRISIL A1+	27-12-23	CRISIL A1+	28-06-22	CRISIL A1+	31-03-21	CRISIL A1+	CRISIL A1+
			--	12-07-24	CRISIL A1+	12-12-23	CRISIL A1+	11-03-22	CRISIL A1+		--	--
			--	26-03-24	CRISIL A1+	20-11-23	CRISIL A1+		--		--	--
			--	12-03-24	CRISIL A1+	14-06-23	CRISIL A1+		--		--	--
			--	28-02-24	CRISIL A1+	26-05-23	CRISIL A1+		--		--	--
			--	09-02-24	CRISIL A1+	06-03-23	CRISIL A1+		--		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
			--		--	06-01-23	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	8832.9	CRISIL AA/Stable	13-09-24	CRISIL AA/Watch Developing	27-12-23	CRISIL AA/Positive	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	CRISIL AA/Negative
			--	12-07-24	CRISIL AA/Watch Developing	12-12-23	CRISIL AA/Positive	11-03-22	CRISIL AA/Stable		--	--
			--	26-03-24	CRISIL AA/Watch Developing	20-11-23	CRISIL AA/Positive		--		--	--
			--	12-03-24	CRISIL AA/Watch Developing	14-06-23	CRISIL AA/Stable		--		--	--
			--	28-02-24	CRISIL AA/Positive	26-05-23	CRISIL AA/Stable		--		--	--
			--	09-02-24	CRISIL AA/Positive	06-03-23	CRISIL AA/Stable		--		--	--
			--		--	07-02-23	CRISIL AA/Stable		--		--	--
			--		--	06-01-23	CRISIL AA/Stable		--		--	--
Perpetual Bonds	LT	300.0	CRISIL AA-/Stable	13-09-24	CRISIL AA-/Watch Developing		--		--		--	--
			--	12-07-24	CRISIL AA-/Watch Developing		--		--		--	--
			--	26-03-24	CRISIL AA-/Watch Developing		--		--		--	--
			--	12-03-24	CRISIL AA-/Watch		--		--		--	--

					Developing							
			--	28-02-24	CRISIL AA-/Positive		--		--		--	--
Subordinated Debt	LT		--		--	20-11-23	Withdrawn	28-06-22	CRISIL AA/Stable	31-03-21	CRISIL AA/Stable	CRISIL AA/Negative
			--		--	14-06-23	CRISIL AA/Stable	11-03-22	CRISIL AA/Stable		--	--
			--		--	26-05-23	CRISIL AA/Stable		--		--	--
			--		--	06-03-23	CRISIL AA/Stable		--		--	--
			--		--	07-02-23	CRISIL AA/Stable		--		--	--
			--		--	06-01-23	CRISIL AA/Stable		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	859.0	CRISIL PPMLD AA/Stable	13-09-24	CRISIL PPMLD AA/Watch Developing	27-12-23	CRISIL PPMLD AA/Positive	28-06-22	CRISIL PPMLD AA r /Stable	31-03-21	CRISIL PPMLD AA r /Stable	CRISIL PPMLD AA r /Negative
			--	12-07-24	CRISIL PPMLD AA/Watch Developing	12-12-23	CRISIL PPMLD AA/Positive	11-03-22	CRISIL PPMLD AA r /Stable		--	--
			--	26-03-24	CRISIL PPMLD AA/Watch Developing	20-11-23	CRISIL PPMLD AA/Positive		--		--	--
			--	12-03-24	CRISIL PPMLD AA/Watch Developing	14-06-23	CRISIL PPMLD AA/Stable		--		--	--
			--	28-02-24	CRISIL PPMLD AA/Positive	26-05-23	CRISIL PPMLD AA/Stable		--		--	--
			--	09-02-24	CRISIL PPMLD AA/Positive	06-03-23	CRISIL PPMLD AA/Stable		--		--	--
			--		--	07-02-23	CRISIL PPMLD AA/Stable		--		--	--
			--		--	06-01-23	CRISIL PPMLD AA r /Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	25	HDFC Bank Limited	CRISIL AA/Stable
Proposed Long Term Bank Loan Facility*	1677.66	Not Applicable	CRISIL AA/Stable
Term Loan	77.27	Nabkisan Finance Limited	CRISIL AA/Stable
Term Loan	221.74	Canara Bank	CRISIL AA/Stable
Term Loan	30.47	IDBI Bank Limited	CRISIL AA/Stable
Term Loan	29.82	The Karnataka Bank Limited	CRISIL AA/Stable
Term Loan	208.27	Indian Bank	CRISIL AA/Stable
Term Loan	187.37	Canara Bank	CRISIL AA/Stable
Term Loan	366.27	Punjab and Sind Bank	CRISIL AA/Stable
Term Loan	187.29	Union Bank of India	CRISIL AA/Stable
Term Loan	25	Bajaj Finance Limited	CRISIL AA/Stable
Term Loan	50	Bajaj Finance Limited	CRISIL AA/Stable
Term Loan	45	DCB Bank Limited	CRISIL AA/Stable
Term Loan	224.86	Union Bank of India	CRISIL AA/Stable
Term Loan	655.76	Bank of Baroda	CRISIL AA/Stable
Term Loan	62.26	Indian Overseas Bank	CRISIL AA/Stable
Term Loan	370	National Bank For Agriculture and Rural Development	CRISIL AA/Stable
Term Loan	425	National Bank For Agriculture and Rural Development	CRISIL AA/Stable
Term Loan	569.93	State Bank of India	CRISIL AA/Stable
Term Loan	157.76	Canara Bank	CRISIL AA/Stable
Term Loan	14.29	Bandhan Bank Limited	CRISIL AA/Stable
Term Loan	250	HDFC Bank Limited	CRISIL AA/Stable

Term Loan	56.25	DCB Bank Limited	CRISIL AA/Stable
Term Loan	137.5	Bandhan Bank Limited	CRISIL AA/Stable
Term Loan	499.83	Canara Bank	CRISIL AA/Stable
Term Loan	145.4	State Bank of India	CRISIL AA/Stable
Working Capital Demand Loan	100	RBL Bank Limited	CRISIL AA/Stable
Working Capital Demand Loan	200	IDFC FIRST 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
Rating criteria for hybrid debt instruments of NBFCs/HFCs
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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Ref: ICRA/IIFL Finance Limited/29102024/1
Date: October 29, 2024

Mr. Kapish Jain
Chief Financial Officer
IIFL Finance Limited
802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 4000693

Dear Sir,

Re: ICRA's credit rating for below instruments of IIFL Finance Limited (instrument details in Annexure)

Please refer to your request requesting ICRA Limited to revalidate the rating letter issued for the below mentioned instruments.

We confirm that the following ratings of the instruments rated by ICRA and last communicated to you vide our letter dated September 24, 2024 stands valid.

Instrument	Rated Amount (Rs. crore)	Rating Outstanding[1]
Non-convertible debenture programme^ (NCD)	5,000.00	[ICRA]AA (Stable)

^For public issuance

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter **Ref: ICRA/IIFL Finance Limited/24092024/1** dated **September 24, 2024.**

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

Annexure: Details of Non-Convertible Debenture Rated by ICRA

Name of the instrument	Amount (in Rs. crore)	Amount outstanding (Rs. Crore)	Rating
Non-Convertible Debenture (NCD)*	5,000.00	924.19	[ICRA]AA (stable)
Total	**5,000.00**	**924.19**	

*As on September 30, 2024; *For public issuance*
Of the rated NCD Programme, Rs. 4,075.81 crore is unutilised and available for placement

[1] Complete definitions of the ratings assigned are available at www.icra.in.

September 25, 2024

IIFL Finance Limited: Ratings reaffirmed; long-term ratings removed from Rating Watch with Negative Implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme (NCD)	5,000.00	5,000.00	[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
NCD	4,617.27	4,617.27	[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
NCD	3,514.65	3,514.65	[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
Subordinated debt programme	657.00	657.00	[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
Long-term bank lines	5,775.00	5,775.00	[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
Long-term principal protected equity linked debenture programme	500.00	500.00	PP-MLD[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
Long-term principal protected market linked debenture programme	314.00	314.00	PP-MLD[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications
Long-term principal protected market linked debenture programme	50.00	-	PP-MLD[ICRA]AA (Stable); Reaffirmed, removed from rating Watch with Negative Implications and withdrawn
Commercial paper programme	8,000.00	8,000.00	[ICRA]A1+; reaffirmed
Commercial paper programme (IPO financing)	500.00	500.00	[ICRA]A1+; reaffirmed
Total	**28,927.92**	**28,877.92**	

**Instrument details are provided in Annexure I*

Rationale

For the purpose of the ratings, ICRA has carried out a consolidated analysis of IIFL Finance Limited (IIFL Finance) and its subsidiaries (mentioned in Annexure II), referred to as IIFL/the Group, given their common senior management team and strong financial and operational synergies. Among group entities, since IIFL Home Finance Limited is highly important for meeting IIFL Finance's strategic objectives, ICRA has assigned the same ratings to both entities while following the consolidated view approach, as described in its methodology for consolidation.

On September 19, 2024, IIFL Finance informed the exchanges that the Reserve Bank of India (RBI) has lifted the restrictions imposed on its gold loan business. The restrictions have been lifted with immediate effect, allowing the company to resume sanctioning, disbursal, assignment, securitisation, and sale of gold loans in compliance with all relevant laws and regulations. These restrictions were imposed on March 4, 2024 by the RBI, prohibiting IIFL Finance from sanctioning, disbursing, or assigning/securitising/selling any of its gold loans. It could, however, continue to service its existing gold loan portfolio through the usual collection and recovery processes. These restrictions were placed after the RBI's inspection of IIFL Finance for FY2023, wherein it observed certain material supervisory concerns in the gold loan portfolio. After the RBI embargo, ICRA had placed the long-term ratings on Watch with Negative Implications.

With the restriction on disbursing gold loans, the Group's assets under management (AUM) declined by 12% on a quarter-on-quarter (QoQ) basis to Rs. 69,610 crore as on June 30, 2024 from Rs. 78,960 crore as on March 31, 2024. Herein, the sequential decline in gold loan AUM was steeper while the microfinance book also reduced due to the entity's cautious approach; the home loans portfolio grew marginally. Due to the restrictions on lending to the gold segment and the consequent decline in gold loan AUM, the profitability moderated on a consolidated basis while a net loss was reported at the standalone level in Q1 FY2025. The trend is likely to continue in Q2 FY2025 and remain so till IIFL Finance is able to scale up its AUM.

After the embargo on fresh gold loan disbursements, the Group's fund-raising ability was constrained, with almost 57% of the overall Rs. 8,738-crore funds raised (after the ban and till August 31, 2024) through direct assignment/co-lending. Further, a larger share of this funding was in other subsidiaries, which are engaged in home finance and microfinance. Though the management has indicated that IIFL Finance is in a position to resume the disbursement of gold loans on an immediate basis, its ability to regain its customer base, revive the co-lending partnerships and raise funds from diversified sources at competitive rates will have a bearing on the Group's overall growth and profitability.

The ratings continue to be supported by the Group's adequate capitalisation profile with a consolidated net worth of Rs. 13,702 crore as on June 30, 2024 and an on-book gearing of 3.1x (managed gearing, including off-book, of 4.8x). During the embargo, IIFL Finance was able to raise equity capital of Rs. 1,271.83 crore through a rights issue in May 2024, supporting the capitalisation profile. The ratings favourably factor in the Group's diversified lending portfolio with the retail portfolio constituting 98% of the AUM, which is well diversified across 28 states with 4,780 branches. Though the headline asset quality indicators remain satisfactory with reported gross and net stage 3 (GS3 and NS3, respectively) at 2.2% and 1.1%, respectively, as on June 30, 2024, including security receipts, the net stressed assets stood high at 8.2% of the loan book and 29.2% of the net worth.

The on-balance sheet liquidity of Rs. 1,436 crore, as on August 31, 2024, held by IIFL Finance (standalone) remains comfortable, which could support immediate growth in gold loans. ICRA will continue to monitor developments closely and will take appropriate rating action once the Group is able to improve its profitability by recouping its AUM while maintaining comfortable asset quality and adequate capitalisation.

ICRA has withdrawn the rating on the long-term principal protected market linked debenture programme of Rs. 50 crore, as these instruments have been redeemed in full, with no dues outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Diversified lending book with focus on retail lending provides comfort – The Group's AUM is diversified with home loans accounting for 40% of the portfolio, followed by gold loans (21%), microfinance (17%), business loans (19%), developer and construction finance (2%) and capital market (0.4%) as of June 30, 2024. The AUM declined by 12% QoQ to Rs. 69,610 crore as on June 30, 2024 from Rs. 78,960 crore as on March 31, 2024 (Rs. 77,444 crore as on December 31, 2023). The decline was primarily due to the rundown in the gold loan portfolio. Apart from gold loans, the Group has seen a decline in the microfinance portfolio (QoQ decline of 8%) on account of the entity's cautious approach. IIFL Finance's construction and real estate (CRE) portfolio has declined sharply with the sale of portfolio worth ~Rs. 1,200 crore to asset reconstruction companies (ARCs) in Q4 FY2024.

Given the focus on growing the assigned book and AUM under co-lending, the off-balance sheet book had increased significantly and stood at Rs. 30,234 crore (39% of AUM) as on December 31, 2023. However, since gold loan assets comprised 53% of this book, the off-balance sheet portfolio declined to Rs. 24,140 crore as of June 30, 2024 (35% of the AUM).

With the lifting of the ban, the gold loan book is expected to start increasing and support the overall AUM growth. The company's ability to regain the customer base and revive the earlier partnerships in the gold loan segment would have a bearing on the overall growth.

Adequate capitalisation – IIFL Finance's consolidated net worth stood at Rs. 13,702 crore as on June 30, 2024 with on-book gearing of 3.1x (managed gearing, including off-book, of 4.8x) compared to 3.9x (managed gearing, including off-book, of 6.3x) as on March 31, 2023. The Group's capitalisation profile has been supported by the capital raised from marquee investors. IIFL Finance received an equity infusion of Rs. 1,271.83 crore through a rights issue in May 2024. The Group had raised Rs. 2,200 crore in IIFL Home Finance from Abu Dhabi Investment Authority (ADIA) in FY2023. Its on-book leverage is further supported by the high share of the off-balance sheet portfolio.

With the capital raise and the lower AUM, IIFL Finance's standalone Tier I ratio increased to 21.9% as of June 2024 from 12.6% as of March 2024. IIFL Home Finance's capitalisation remains strong with a Tier I of 41.8% and a managed gearing of 4.5x as on June 30, 2024. IIFL Samasta Finance Limited's (IIFL Samasta) capitalisation has been supported by regular equity infusions by the Group to meet its growth plans. IIFL Samasta reported a CRAR and Tier I of 27.0% and 21.1%, respectively, as on June 30, 2024.

Credit challenges

Asset quality exposed to portfolio vulnerability – The Group's GS3 increased to 2.2% as of June 30, 2024 from 1.8% as of March 31, 2023 (2.3% as of March 31, 2024) with higher delinquencies in the gold loan and microfinance portfolios. While the reported asset quality remained comfortable, the Group's net stressed book (NS3 and net security receipts) rose to 8.2% of the loan book and 29.2% of the net worth as on June 30, 2024 from 3.3% and 12.9%, respectively, as of March 31, 2023. This was due to the increase in security receipts to Rs. 3,529 crore (Rs. 880 crore as of March 31, 2023) on the sale of the CRE assets to ARCs in FY2024. IIFL Finance had done an in-specie distribution of alternate investment funds (AIFs) of ~Rs. 1,000 crore, which were then sold to ARCs in March 2024 along with some other CRE assets. The extent of recovery from the security receipts would be a key monitorable for future profitability. The GS3 of the microfinance book also increased to 2.3% as of June 30, 2024 from 1.9% as of March 31, 2024 with collections impacted by elections and heat waves in some geographies. Moreover, the asset quality pressure on microfinance loans across the industry has increased recently. As these loans account for 17% of its total AUM, their impact on the Group's asset quality and profitability will remain monitorable.

On a consolidated basis, IIFL Finance reported a profit after tax (PAT) of 2.3% of average managed assets (AMA) in FY2024 (2.2% in FY2023), supported by the higher net interest margin (NIM) with increased disbursements in smaller-ticket loan against property (LAP) and the rise in yield on the microfinance loan book, post RBI liberalisation. This was partially offset by the reduced quantum of assignment, resulting in lower upfront recognition of spreads and higher unwinding of the previously assigned pools. Due to the restrictions on lending to the gold segment, the Group's profit before tax (PBT) reduced to Rs. 436 crore in Q1 FY2025 from Rs. 554 crore in Q4 FY2024. IIFL Finance (standalone) recorded a net loss of Rs. 23 crore in Q1 FY2025 (PAT of Rs. 585 crore in FY2024). The Group's profitability could be subdued in the near term till it is able to scale up its AUM.

Limited diversification in funding profile – The borrowing profile for the Group, as on June 30, 2024, consisted of bank loans (~34%), assignment and securitisation (~22%), debentures (~16%), co-lending (~14%) and refinance facility (~11%). While the group had raised long-term bank loans, retail debentures, foreign currency bonds and National Housing Bank (NHB) refinance in the past two years, its reliance has largely been on banks in terms of the investor profile. Further, its fund-raising ability was constrained, post the RBI embargo, as ~57% of the overall ~Rs. 8,738-crore funds raised by it (till August 31, 2024) were through direct assignment/co-lending, largely in the home finance and microfinance entities. With the ban being raised, the Group's ability to raise funds from diversified sources at optimal costs and revive its old partnerships will have a bearing on the overall growth.

ICRA draws comfort from the significant retail exposure (~98% of the AUM) with priority sector loans accounting for 67% of the AUM as of March 31, 2024, which could be securitised/assigned to generate liquidity. An improvement in the Group's ability to raise diversified funds at competitive rates will remain a key monitorable.

Environmental and social risks

Given the service-oriented business of IIFL Finance, its direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, IIFL Finance's exposure to environmentally sensitive segments remains moderate. This is on account of the borrowers, who get impacted by climate change. Hence, moderate indirect transition risks arise from changes in regulations or policies concerning the underlying assets.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. IIFL Finance has not faced such lapses over the years, which highlights its sensitivity to such risks.

Liquidity position: Adequate

As on August 31, 2024, IIFL Finance (consolidated) had an unencumbered cash and liquid balance of around Rs. 3,529 crore along with undrawn bank line limits of Rs. 1,067 crore. This, along with collections due of Rs. 12,265 crore over the next six months, remains adequate to meet the debt obligations of Rs. 6,875 crore over the same time frame.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company reports a substantial and sustained improvement in its business performance, characterised by well-diversified growth and improvement in the profitability, asset quality and funding diversity.

Negative factors – ICRA could downgrade the ratings if there is a weakening in the asset quality or a deterioration in the profitability with PAT/AMA of less than 1.25% or a substantial increase in the leverage on a sustained basis. Constrained funding flexibility would also be a key negative.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has carried out a consolidated analysis of IIFL Finance and its subsidiaries (enlisted in Annexure II), given their common senior management team and strong financial and operational synergies.

About the company

IIFL Finance, a listed non-operating holding company, had merged with its subsidiary – India Infoline Finance Limited {a systemically important, non-deposit accepting non-banking financial company (NBFC-ND-SI)}, with effect from March 30, 2020 after receiving an NBFC licence. IIFL Finance, along with its subsidiaries, namely IIFL Home Finance (registered as a housing finance company) and IIFL Samasta Microfinance Limited (registered as an NBFC-microfinance institution; NBFC-MFI), offers home loans, loan against property, micro, small and medium enterprise (MSME) loans, gold loans, microfinance and real estate loans.

IIFL Finance's consolidated net worth stood at Rs. 13,702 crore as on June 30, 2024. It reported a PAT of Rs. 1,974 crore in FY2024 on total assets of Rs. 62,421 crore as on March 31, 2024 compared to PAT of Rs. 1,608 crore in FY2023 on total assets of Rs. 53,001 crore as on March 31, 2023.

Key financial indicators (audited)

IIFL Finance Limited – Consolidated	FY2023	FY2024	Q1 FY2025
Total income	8,447	10,173	2,468
Profit after tax	1,608	1,974	338
Total managed assets^	78,854	91,781	83,457
Return on managed assets	2.2%	2.3%	1.5%
Reported gearing (times)	3.9	3.9	3.1
Managed gearing^ (times)	6.3	6.2	4.8
Gross stage 3	1.8%	2.3%	2.2%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore
^Including off-balance sheet portfolio

IIFL Finance Limited – Standalone	FY2023	FY2024	Q1 FY2025
Total income	3,974	4,257	841
Profit after tax	690	585	(23)
Total managed assets^	37,037	39,571	NA
Return on managed assets	2.0%	1.5%	NA
Reported gearing (times)	3.4	3.6	2.4
Managed gearing^ (times)	5.8	5.6	3.4
Gross stage 3	1.3%	3.9%	3.1%
CRAR	20.4%	19.7%	27.8%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore
^Including off-balance sheet portfolio

Status of non-cooperation with previous CRA: Not applicable

Any other information: Many of the borrowing facilities of IIFL Finance provide the lenders the option to review the facilities (including increase in interest rates and debt acceleration) upon the breach of covenants, including financial, operating and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	September 25, 2024	Date	Rating	Date	Rating	Date	Rating
Long-term principal protected market linked debenture programme	Long Term	314.00	PP-MLD[ICRA]AA (Stable)	01-AUG-2023	PP-MLD[ICRA]AA (Stable)	03-AUG-2022	PP-MLD[ICRA]AA (Stable)	03-DEC-2021	PP-MLD[ICRA]AA (Stable)
				29-DEC-2023	PP-MLD[ICRA]AA (Stable)	-	-	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
Long-term principal protected equity linked debenture programme	Long Term	500.00	PP-MLD[ICRA]AA (Stable)	01-AUG-2023	PP-MLD[ICRA]AA (Stable)	03-AUG-2022	PP-MLD[ICRA]AA (Stable)	03-DEC-2021	PP-MLD[ICRA]AA (Stable)
				29-DEC-2023	PP-MLD[ICRA]AA (Stable)	-	-	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
Non-convertible debenture programme	Long Term	4617.27	[ICRA]AA (Stable)	01-AUG-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	03-DEC-2021	[ICRA]AA (Stable)
				29-DEC-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
Commercial paper programme (IPO financing)	Short Term	500.00	[ICRA]A1+	01-AUG-2023	[ICRA]A1+	03-AUG-2022	[ICRA]A1+	03-DEC-2021	[ICRA]A1+
				29-DEC-2023	[ICRA]A1+	-	-	-	-
				12-MAR-2024	[ICRA]A1+	-	-	-	-
Long term-others-fund based	Long Term	5775.00	[ICRA]AA (Stable)	01-AUG-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	03-DEC-2021	[ICRA]AA (Stable)
				29-DEC-2023	[ICRA]AA (Stable)	-	-	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
	Long Term	5000.00	[ICRA]AA (Stable)	01-AUG-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	03-DEC-2021	[ICRA]AA (Stable)

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	September 25, 2024	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture programme				29-DEC-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
Non-convertible debenture programme	Long Term	3514.65	[ICRA]AA (Stable)	01-AUG-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	03-DEC-2021	[ICRA]AA (Stable)
				29-DEC-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
Subordinated debt programme	Long Term	657.00	[ICRA]AA (Stable)	01-AUG-2023	[ICRA]AA (Stable)	03-AUG-2022	[ICRA]AA (Stable)	03-DEC-2021	[ICRA]AA (Stable)
				29-DEC-2023	[ICRA]AA (Stable)	-	-	-	-
				12-MAR-2024	[ICRA]AA Rating Watch with Negative Implications	-	-	-	-
Commercial paper programme	Short Term	8000.00	[ICRA]A1+	01-AUG-2023	[ICRA]A1+	03-AUG-2022	[ICRA]A1+	03-DEC-2021	[ICRA]A1+
				29-DEC-2023	[ICRA]A1+	-	-	-	-
				12-MAR-2024	[ICRA]A1+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Bank lines	Very Simple
Non-convertible debenture programme	Very Simple/Simple^
Subordinated debt programme	Very Simple
Long-term principal protected equity linked debenture programme	Complex
Long-term principal protected market linked debenture programme	Complex
Commercial paper programme	Very Simple
Commercial paper programme (IPO financing)	Very Simple

^The applicable indicator is 'Very Simple' for ISINs with a fixed rate payout and 'Simple' for ISINs with a fixed rate payout and a call option

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Rated Amount (Rs. crore)	Current Rating and Outlook
INE866I08279	Non-convertible debenture	Feb -7-2019	10.00%	Feb-07-2029	30.76	[ICRA]AA (Stable)
INE866I08295	Non-convertible debenture	Feb-07-2019	10.50%	Feb-07-2029	15.45	[ICRA]AA (Stable)
INE866I08303	Non-convertible debenture	Sep-06-2019	10.00%	Jun-06-2025	25.93	[ICRA]AA (Stable)
INE866I08311	Non-convertible debenture	Sep-06-2019	10.50%	Jun-06-2025	5.78	[ICRA]AA (Stable)
INE530B07203	Non-convertible debenture	Mar-24-2022	8.60%	Mar-24-2032	60.00	[ICRA]AA (Stable)
INE530B08128	Non-convertible debenture	Mar-24-2022	9.35%	Mar-24-2032	50.00	[ICRA]AA (Stable)
INE530B07211	Non-convertible debenture	Jul-15-2022	9.00%	Jul-15-2032	10.00	[ICRA]AA (Stable)
INE530B07195	Non-convertible debenture	Jan-21-2022	8.50%	Jan-21-2032	10.00	[ICRA]AA (Stable)
INE530B08136	Non-convertible debenture	Jul-26-2022	9.65%	Jul-26-2032	235.00	[ICRA]AA (Stable)
INE530B07237	Non-convertible debenture	Nov-01-2022	9.45%	Nov-01-2029	550.00	[ICRA]AA (Stable)
INE530B08151	Non-convertible debenture programme	May-08-2023	9.20%	May-08-2033	35.00	[ICRA]AA (Stable)
Not placed	Non-convertible debenture – Unallocated	NA	NA	NA	2,486.73	[ICRA]AA (Stable)
Not placed	Non-convertible debenture – Unallocated	NA	NA	NA	4,617.27	[ICRA]AA (Stable)
INE530B07252	Non-convertible debenture	Jan-24-2023	8.50%	Jan-24-2025	45.64	[ICRA]AA (Stable)
INE530B07302	Non-convertible debenture	Jan-24-2023	8.50%	Jan-24-2025	30.07	[ICRA]AA (Stable)
INE530B07294	Non-convertible debenture	Jan-24-2023	8.75%	Jan-24-2026	57.21	[ICRA]AA (Stable)
INE530B07286	Non-convertible debenture	Jan-24-2023	8.75%	Jan-24-2026	24.14	[ICRA]AA (Stable)
INE530B07310	Non-convertible debenture	Jan-24-2023	8.65%	Jan-24-2028	157.24	[ICRA]AA (Stable)
INE530B07260	Non-convertible debenture	Jan-24-2023	9.00%	Jan-24-2028	118.93	[ICRA]AA (Stable)
INE530B07278	Non-convertible debenture	Jan-24-2023	9.00%	Jan-24-2028	37.86	[ICRA]AA (Stable)
INE530B07336	Non-convertible debenture	Jun-28-2023	8.35%	Jun-28-2025	46.98	[ICRA]AA (Stable)
INE530B07393	Non-convertible debenture	Jun-28-2023	8.35%	Jun-28-2025	14.24	[ICRA]AA (Stable)
INE530B07344	Non-convertible debenture	Jun-28-2023	8.50%	Jun-28-2026	123.58	[ICRA]AA (Stable)
INE530B07351	Non-convertible debenture	Jun-28-2023	8.50%	Jun-28-2026	8.91	[ICRA]AA (Stable)
INE530B07385	Non-convertible debenture	Jun-28-2023	8.65%	Jun-28-2028	88.91	[ICRA]AA (Stable)
INE530B07377	Non-convertible debenture	Jun-28-2023	9.00%	Jun-28-2028	131.94	[ICRA]AA (Stable)
INE530B07369	Non-convertible debenture	Jun-28-2023	9.00%	Jun-28-2028	37.52	[ICRA]AA (Stable)
Not placed	Non-convertible debenture – Unallocated^	NA	NA	NA	4,076.83	[ICRA]AA (Stable)

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Rated Amount (Rs. crore)	Current Rating and Outlook
INE866I08246	Subordinated debt programme	Nov-17-2021	8.70%	Nov-19-2027	100.00	[ICRA]AA (Stable)
INE530B08144	Subordinated debt programme	Mar-31-2023	9.45%	Dec-27-2032	30.00	[ICRA]AA (Stable)
INE530B08144	Subordinated debt programme	Dec-27-2022	9.45%	Dec-27-2032	35.00	[ICRA]AA (Stable)
Not placed	Subordinated debt programme – Unallocated	NA	NA	NA	492.00	[ICRA]AA (Stable)
INE866I08253	Long-term principal protected market linked debenture programme	Aug-28-2018	9.35%	Aug-25-2028	50.00	PP-MLD[ICRA]AA (Stable); Withdrawn
Not placed	Long-term principal protected market linked debenture programme – Unallocated	NA	NA	NA	314.00	PP-MLD[ICRA]AA (Stable)
Not placed	Long-term principal protected equity linked debenture programme Unallocated	NA	NA	NA	500.00	PP-MLD[ICRA]AA (Stable)
NA	Long-term bank lines – fund-based	NA	NA	NA	5,775.00	PP-MLD[ICRA]AA (Stable)
Not placed	Commercial paper	NA	NA	7-365 days	8,000.00	[ICRA]A1+
Not placed	Commercial paper (IPO)	NA	NA	7-30 days	500.00	[ICRA]A1+

Source: Company; ^For public issuance

[Please click here to view details of lender-wise facilities rated by ICRA]

Annexure II: List of entities considered for consolidated analysis

Company Name	IIFL Finance's Ownership	Consolidation Approach
IIFL Home Finance Limited	79.59%	Full consolidation
IIFL Samasta Finance Limited	99.56%	Full consolidation
IIHFL Sales Limited^	100%	Full consolidation
IIFL Open Fintech Private Limited	51.02%	Full consolidation

Source: IIFL Finance Limited

^Step-down subsidiary, fully owned by IIFL Home Finance Limited

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Neha Parikh
+91 22 6114 3426
neha.parikh@icraindia.com

Jui J. Kulkarni
+91 22 6114 3427
jui.kulkarni@icraindia.com

Harsh Mange
+91 22 6114 3429
harsh.mange@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

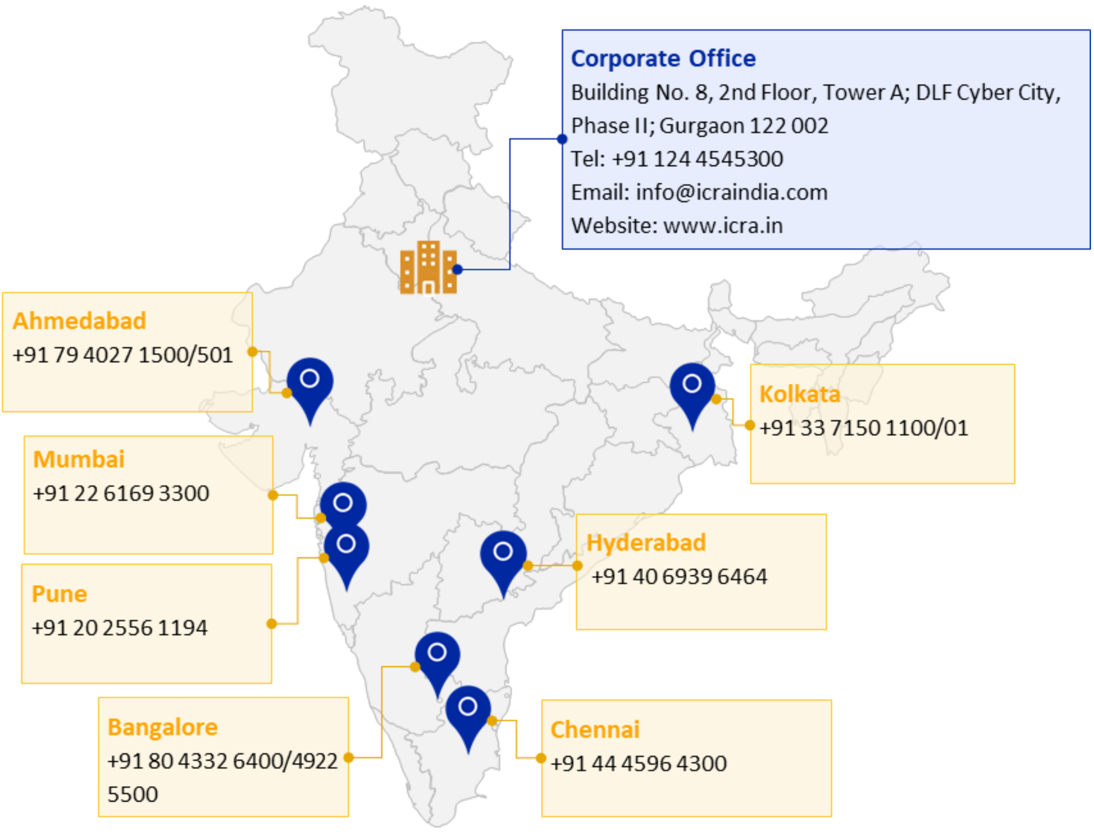
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER

Consent letter from the Debenture Trustee to the Issue

23 October' 2024

IIFL Finance Limited
802, 8th Floor, Hub Town Solaris,
N.S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai 400069,
Maharashtra, India

Dear Ma'am/Sir

Sub: Proposed public offering of Secured Redeemable Non-convertible debenture ("NCDs") within the shelf limit of ₹ 2,500 crore (hereinafter referred to as "Issue") by IIFL Finance Limited ("Company" or "Issuer").

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 draft shelf prospectus ("**Draft Shelf Prospectus**") to be filed with the BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**" together with BSE, the "**Stock Exchanges**") for the purpose of receiving public comments and submitted with the Securities and Exchange Board of India ("**SEBI**") for record purposes; (ii) the shelf prospectus and relevant tranche prospectus(es) proposed to be filed with the Registrar of Companies, Maharashtra, Mumbai ("**RoC**") and submitted to SEBI and the Stock Exchanges in relation to the Issue ("**Shelf Prospectus and relevant Tranche Prospectus(es)**"); (iii) 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:	Vardhman Trusteeship Private Limited
Address:	The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Tel:	22 4264 8335/ 22 4014 0832
Fax:	-
Email:	corporate@vardhamantrustee.com
Investor Grievance email:	corporate@vardhamantrustee.com
Website:	www.vardhamantrustee.com
Contact Person:	Rushabh Desai
Compliance Officer:	Rushabh Desai
SEBI Registration No:	IND000000611
CIN:	U65993WB2010PTC152401
Logo:	

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.**

Vardhman Trusteeship Pvt. Ltd.

CIN: U65993WB2010PTC152401

VARDHMAN
TRUSTEESHIP PRIVATE LIMITED
Nurturing & Protecting Your Trust

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 Managers 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 Managers and the legal advisor to the Issue in respect of the Issue.

Sincerely

For Vardhman Trusteeship Private Limited

Vardhman Trusteeship Pvt. Ltd.

Name: Rushabh Desai

cc:

Trust investment Advisors Private Limited
109/110, Balarama,
Bandra Kurla Complex Bandra (East),
Mumbai- 400 051
Maharashtra, India

Nuvama Wealth Management Limited
801-804, Wing A, Building No. 3, Inspire BKC
G-Block, Bandra Kurla Complex, Bandra East
Mumbai – 400051

IIFL Securities Limited*
24th Floor, One Lodha Place,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400013

**IIFL Securities Limited is deemed to be the Issuer's associate 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 Securities Limited would be involved only in marketing of the Issue.*

Khaitan & Co
One World Centre
10th, 13th & 14th Floor, Tower 1C,
Senapati Bapat Marg,
Mumbai- 400 013
Maharashtra, India

Enclosed: *Annexure A*
: *Annexure B*

Vardhman Trusteeship Pvt. Ltd.

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000274

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Unit No. 15, Turner Morrison Building
6 Lyons Range
KOLKATA
700001
WEST BENGAL
INDIA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000611**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

This certificate of Registration shall be valid from 15/12/2020 to null, unless Suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

Aradhana Verma

ARADHANA VERMA
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

स्थान Place : **Mumbai**

तारीख Date : **May 20, 2021**

jai kaushal