INDEPENDENT AUDITOR'S REPORT

To the Members of **IFL Housing Finance Limited**

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the standalone financial statements of **IFL Housing Finance Limited** ("the Company"), which comprise the balance sheet as at 31st March 2022, and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the 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.

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- 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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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**.

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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company does not have any pending litigations which would impact its financial position.
   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
   iv) 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 persons or entities, including foreign entities ("Intermediaries"),

h) 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 documents provided to us, the remuneration paid to the Managing Director of the Company is in accordance with the provisions of Section 197 along with Schedule V of Companies Act, 2013.

For Ajay Rattan & Co.
Chartered Accountants
(Firm Registration No.012063N)

(CA. Varun Garg)
Partner
Membership No. 523588
UDIN :- 22523588AKBGLD2579

AJAY RATTAN & CO. New Delhi Chartered Accountants

Place: New Delhi
Dated: 23 MAY 2022

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

We report that:

(i)

(a)

A. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;

B. The company is maintaining proper records showing full particulars of intangible assets;

(b) As explained to us, these Property, Plant & Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us, the company has no immovable property as on balance sheet date (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee);

(d) the company has not revalued its Property, Plant and Equipment (including Right to Use assets) or intangible assets or both during the year;

(e) According to the information and explanations given 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.

(ii) (a) The company does not have any inventory and hence reporting under clause (ii) paragraph 3 of the order is not applicable;

(b) The company has not been sanctioned working capital limits on the basis of security of current assets.

(iii) (a) As the principal business of the company is to give loans, this clause is not applicable to the company.

(b) The company has invested surplus funds in Mutual Funds and these investments are not prejudicial to the interest of the company.

(c) In respect of loans and advances in the nature of loans given by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are generally regular;

(d) the total amount overdue for more than ninety days is Rs. 30,50,739/-, and in our opinion, reasonable steps have been taken by the company for recovery of the principal and interest;

(e) As the principal business of the company is to give loans, this clause is not applicable to the company;

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(f) In our opinion and according to the information and explanation given to us, 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.

(iv) In our opinion and according to the information and explanation given to us, the company has not given loans, investments, guarantees, and securities covered under section 185 and 186 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.

(vi) According to the information and explanation given to us, government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the services of the company.

(vii) a) In our opinion, the company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to information and explanation given to us, there are no dues on account of above statutory dues, which have not been deposited due to any dispute.

(viii) Based upon the audit procedures performed and the information and explanations given by the management, there are 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 (43 of 1961).

(ix) Based upon the audit procedures performed and according to information and explanations given to us:

(a) the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year of audit;

(b) the company has not been declared wilful defaulter by any bank or financial institution or other lender;

(c) the term loans were applied for the purpose for which the loans were obtained;

(d) the funds raised on short term basis have not been utilised for long term purposes;

(e) 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) the company does not hold any securities in any subsidiaries, joint ventures or associate companies.

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(x) Based upon the audit procedures performed and the information and explanations given by the management:

(a) the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.

(b) the company has made further issue of share capital under the provisions of section 62 of the Companies Act, 2013 during the year and the requirements of section 62 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi) Based upon the audit procedures performed and the information and explanations given by the management:

(a) no fraud on the company or 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) no whistle-blower complaints have been received during the year by the company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) (a) the company has an internal audit system commensurate with the size and nature of its business;

(b) the reports of the Internal Auditors for the period under audit were considered by us.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi)(a) of the Order are not applicable to the Company and hence not commented upon.

(b) the company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 to conduct Housing Finance activities;

(c) the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;

(d) the Group does not have more than one CIC as part of the Group.

(xvii) the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

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(xviii) there has been no resignation of the statutory auditors during the year.

(xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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;

(xx) (a) there is no unspent amount as specified in Schedule VII to the Companies Act and hence, no comment is required under Clause 4(xx)(a) & (b) of the Order;

(xxi) As the company is a subsidiary and the consolidation is done by holding company, no comment is needed in this clause.

For Ajay Rattan & Co.
Chartered Accountants
(Firm Registration No.012063N)

(CA Varun Garg)
Partner
Membership No. 523588
UDIN :- 22523588AKBGLD2579

AJAY RATTAN & CO. New Delhi Chartered Accountants

Place: New Delhi
Dated: 23 MAY 2022

Annexure - B to the Independent Auditors' Report

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 **IFL Housing Finance Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

AJAY RATTAN & CO. New Delhi Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 Ajay Rattan & Co.
Chartered Accountants
(Firm Registration No.012063N)

AJAY RATTAN & CO. New Delhi Chartered Accountants

(CA Varun Garg)
Partner
Membership No. 523588
UDIN :- 22523588AKBGLD2579

Place: New Delhi
Dated: 23 MAY 2022

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

Sr. No.	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	ASSETS			
I	**Financial assets**			
	(a) Cash and cash equivalents	4a	169.63	428.30
	(b) Bank Balance other than Cash and cash equivalents	4b	1,102.04	550.00
	(c) Loans	5	14,558.71	8,847.52
	(d) Investments	6	202.92	1,036.15
	(e) Other financial assets	7	194.15	152.64
	Total Financial assets		**16,227.45**	**11,014.61**
II	**Non-financial assets**			
	(a) Deferred tax assets (net)	8	100.61	44.54
	(b) Property, plant and equipment	9	189.78	62.11
	(c) Right to use Asset	9	707.01	114.08
	(d) Intangible assets under development	10	25.61	-
	(e) Other intangible assets	9	74.53	80.95
	(f) Other non-financial assets	11	15.30	13.65
	Total Non-financial assets		**1,112.84**	**315.33**
	Total Assets		**17,340.29**	**11,329.94**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial liabilities**			
	(a) Payables			
	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	12	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	12.36	3.95
	(b) Borrowings (other than debt securities)	13	8,317.98	4,612.22
	(c) Other financial liabilities	14	866.30	164.46
	Total Financial liabilities		**9,196.64**	**4,780.63**
II	**Non-financial liabilities**			
	(a) Current tax liabilities (net)		36.11	3.60
	(b) Provisions	15	13.33	-
	(c) Deferred Tax Liabilities (Net)	8	-	-
	(d) Other non financial liabilities	16	50.19	6.26
	Total Non-financial liabilities		**99.63**	**9.86**
	EQUITY			
	(a) Equity share capital	17	6,047.34	5,446.80
	(b) Other equity	18	1,996.68	1,092.65
	Total Equity		**8,044.02**	**6,539.45**
	Total Liabilities and Equity		**17,340.29**	**11,329.94**

Notes to the Ind AS financial statements 1-60

The accompanying notes form an integral part of the Ind AS financial statements.
As per our report of even date

FOR AJAY RATTAN & CO.
Chartered Accountants
Firm Regn. No. 012063N

Varun Garg
Partner
Membership No. 523588

New Delhi, the 23 day of May, 2022

For and on behalf of the Board of Directors of IFL HOUSING FINANCE LIMITED

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Whole Time Director
DIN: 06607944

Gunjan Jain
CFO
PAN: APPPJ2676D

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

Sr. No	Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
	(i) Interest Income	19	2,174.45	1,568.89
	(ii) Fees and Commission Income	20	71.32	43.18
	(iv) Net Gain on Fair Value Changes	21	24.47	71.29
	(iii) Other Income From Operations	22	30.62	3.68
I	**Total Revenue From Operations**			
II	Other Income	23	46.86	30.84
III	**Total Income (I+II)**		**2,347.72**	**1,717.88**
	Expenses			
	Finance costs	24	537.70	439.84
	Impairment on Financial Instruments	25	30.72	60.00
	Employee benefits expenses	26	802.17	352.96
	Depreciation and amortisation expenses	9	159.90	44.83
	Other expenses	27	281.82	179.41
IV	**Total Expenses**		**1,812.31**	**1,077.04**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**		**535.41**	**640.84**
VI	Exceptional items		-	**(0.31)**
VII	**Profit/ (loss) before tax**		**535.41**	**640.53**
VIII	Less: Tax expense			
	Current tax	28	188.90	162.29
	Deferred tax (Net)	28	(56.07)	(14.59)
IX	**Net Profit/ (loss) after tax**		**402.58**	**492.83**
	Other Comprehensive Income			
	A. Items that will be reclassified to profit or loss		-	(5.90)
	B. Income tax relating to items that will be reclassified to profit or loss		-	1.64
X	**Total Other Comprehensive Income (A+B)**		-	**(4.26)**
XI	**Total Comprehensive Income (IX+X)**		**402.58**	**488.57**
XII	**Earning Per Equity Share (EPS)**			
	[nominal value of share Rs. 10/ share]			
	Basic (in Rs.)	29	0.70	0.99
	Diluted (in Rs.)	29	0.70	0.99

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR AJAY RATTAN & CO.
Chartered Accountants
Firm Regn. No. 012063N

AJAY RATTAN & CO. New Delhi Chartered Accountants

Varun Garg
Partner
Membership No. 523588

New Delhi, the 23 day of May, 2022

For and on behalf of the Board of Directors of IFL HOUSING FINANCE LIMITED

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Whole Time Director
DIN: 06607944

Gunjan Jain
Chief Financial Officer
PAN: APPPJ2676D

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

IFL HOUSING FINANCE LTD. NEW DELHI

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
(I) Cash flow from Operating Activities		
Profit before tax	535.41	640.53
Adjustments for:		
Impairment Loss on Financial instruments	30.72	60.00
Depreciation and amortisation expense	159.90	44.83
Loss on Assets Written Off	1.05	-
Gain on Fair value changes due to Fair Value through P&L- Realised	(21.54)	(35.12)
Gain on Fair value changes due to Fair Value through P&L- Unrealised	(2.93)	(36.17)
Interest income at amortised cost	(2,179.18)	(1,574.25)
Fees and Commission Income	(71.32)	(43.18)
Finance cost at amortised cost	537.70	439.84
Cash inflow from Interest Income	2,059.67	1,472.53
Cash inflow from Fees and Commission Income	307.99	143.90
Cash outflow towards finance costs	(554.83)	(431.87)
Cash generated from operation before working capital changes	**802.64**	**681.04**
Working capital changes:		
(Increase)/ decrease in trade receivables	-	-
(Increase)/ decrease in loans	(5,934.28)	(1,006.68)
(Increase)/ decrease in financial assets	(41.51)	193.29
(Increase)/ decrease in non- financial assets	(1.65)	(5.27)
Increase/ (decrease) in trade payables	8.40	(0.67)
Increase/ (decrease) in other financial liabilities	126.99	9.15
Increase/ (decrease) in provisions	13.33	-
Increase/ (decrease) in non financial liabilities	43.92	(4.60)
	(4,982.16)	(133.73)
Income Tax paid (Net of refunds)	(156.39)	(215.01)
Net cash flow from operating activities (I)	**(5,138.55)**	**(348.74)**
(II) Cash flow from Investing Activities		
Increase in Bank Balance other than Cash & Cash Equivalents	(552.04)	(550.00)
Sale/ (Purchase) of Property, plant & equipment	(229.27)	(78.05)
Sale/ (Purchase) of investments	800.00	(700.00)
Gain on sale of Investment at FVTPL	57.69	40.08
Interest Earned on Fixed Deposits	75.21	48.86
Net cash flow from investing activities (II)	**151.59**	**(1,239.11)**
(III) Cash flow from Financing Activities		
Net proceeds from issue of equity share capital	1,101.99	499.95
Net proceeds from borrowings	3,763.05	1,026.10
Interest expense on lease liabilities	(40.16)	(2.26)
Lease Rentals Paid	(96.59)	(9.40)
Net cash flow from financing activities (III)	**4,728.29**	**1,514.39**
Net increase/(decrease) in cash and cash equivalents (I + II + III)	(258.67)	(73.46)
Cash and Cash Equivalents at the beginning of the year	428.30	501.76
Cash and Cash Equivalents at the end of the year (Note 4a)	**169.63**	**428.30**

The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date

FOR AJAY RATTAN & CO.
Chartered Accountants
Firm Regn. No. 012063N

AJAY RATTAN & CO. New Delhi Chartered Accountants

Varun Garg
Partner
Membership No. 523588

New Delhi, the 23 day of May, 2022

For and on behalf of the Board of Directors of IFL HOUSING FINANCE LIMITED

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Whole Time Director
DIN: 06607944

Gunjan Jain
Chief Financial Officer
PAN: APPPJ2676D

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

IFL HOUSING FINANCE LTD. NEW DELHI

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

Particulars	Number	Amount
As at April 01, 2020	49,923,000	4,992.30
Shares allotted through right issue during the year	4,545,000	454.50
As at March 31, 2021	54,468,000	5,446.80
Shares allotted through right issue during the year	6,005,400	600.54
As at March 31, 2022	60,473,400	6,047.34

b. Other Equity

Statement of Changes in Other Equity for the year ended March 31, 2022

Particulars	Statutory Reserve (In terms of section 29C of the NHB Act, 1987 and Sec 36(1)(viii) of Income Tax Act, 1961)	Securities Premium	Retained Earning	Equity Instruments through Other Comprehensive Income	Total Other Equity
Balance as at April 1, 2021	240.66	64.70	787.29	-	1,092.65
Equity Shares issued during the year	-	501.45	-	-	501.45
Profit For the Year	-	-	402.58	-	402.58
Total Comprehensive Income for the year	-	-	-	-	-
Transfer to Special Reserve in terms of Sec 29C of the NHB Act, 1987	80.52	-	(80.52)	-	-
Others	-	-	-	-	-
Balance as at March 31, 2022	**321.18**	**566.15**	**1,109.35**	-	**1,996.68**

Statement of Changes in Other Equity for the year ended March 31, 2021

Particulars	Statutory Reserve (In terms of section 29C of the NHB Act, 1987 and Sec 36(1)(viii) of Income Tax Act, 1961)	Securities Premium	Retained Earning	Equity Instruments through Other Comprehensive Income	Total Other Equity
Balance as at April 1, 2020	134.17	19.25	400.93	4.26	558.61
Equity Shares issued during the year	-	45.45	-	-	45.45
Profit For the Year	-	-	492.85	-	492.85
Total Comprehensive Income for the year	-	-	-	(4.26)	(4.26)
Transfer to Special Reserve in terms of Sec 29C of the NHB Act, 1987 *	106.49	-	(106.49)	-	-
Others	-	-	-	-	-
Balance as at March 31, 2021	**240.66**	**64.70**	**787.29**	-	**1,092.65**

* **Note:** The special reserve includes the reserve short created in FY 2019-20 amounting to Rs. 7.92 Lakhs

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
FOR AJAY RATTAN & CO.
Chartered Accountants
Firm Regn. No. 012063N

AJAY RATTAN & CO. New Delhi Chartered Accountants

Varun Garg
Partner
Membership No. 523588

New Delhi, the 23 day of May, 2022

For and on behalf of the Board of Directors of
IFL HOUSING FINANCE LIMITED

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Whole Time Director
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Gunjan Jain
CFO
PAN: APPPJ2676D

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

IFL HOUSING FINANCE LTD. NEW DELHI

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

1. Corporate Information:

IFL HOUSING FINANCE LIMITED (being subsidiary of listed company, India Finsec Limited) is a public company domiciled in India, incorporated under the provisions of the Companies Act, 2013 and has been carrying on its main business of providing loans to Retail Customers for Purchase and/or Construction of Residential Property, Repair and Renovation of Residential Property. Apart from principal business the company also provide Loan Against Property and Loan against Collateral of Gold Jewellery. The Company is registered under the provisions of Section 29A of The National Housing Bank Act, 1987.

The Company is having its registered and corporate office in Delhi and its branches in the states/UT of Delhi, Rajasthan, Madhya Pradesh and Haryana.

The financial statements have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 23, 2022.

2. Basis of preparation and presentation:

(a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies act, 2013 (the "Act") along with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India (hereinafter referred to as "Master Direction") and guidelines and directions issued by National Housing bank ("NHB") to the extent applicable.

(b) Presentation of financial statements:

(i) Financial Statements have been prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". All values in the financial statements are rounded to nearest lakhs except for shares data and unless otherwise stated.

(ii) The Financial statements are prepared on a Going Concern basis as the management is satisfied that the company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

(iii) The Financial Statements have been prepared on a historical cost basis and on accrual basis, except for Certain Financial Assets and Liabilities which are measured at amortised value or fair value mentioned specifically.

(c) Critical accounting estimates:

The preparation of the Company's financial statements requires the Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.

- Fair value of financial instruments (Refer note no. 3D)
- Effective interest rate (EIR) [Refer note no. 3D)
- Impairment of financial assets [Refer note no. 3D)
- Provisions and contingent liabilities (Refer note no. 3H)
- Provision for tax expenses (Refer 3E)
- Residual value, useful life and indicators of impairment and recoverable value of property, plant and equipment (Refer note no. 3F)

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3. Summary of significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(A) Revenue recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company & revenue is reliably measured.

(i) Interest Income:

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non-payment of contractual cashflows is recognised on realisation

(ii) Dividend:

Dividend income from investments is recognised when the company's right to receive payment has been established which is generally when the shareholders approve the dividend.

(iii) Other revenue from operations:

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

a. Fees and commission income:

- The Company recognises initial login charges received from the customers to whom sanction is not being made.
- Bounce charges levied on customers for non-payment of instalment on the contractual date is recognised on realisation.
- Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

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IFL HOUSING FINANCE LTD. NEW DELHI

b. Net gain on fair value changes:

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis in profit or loss.

c. Other operating income:

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

Fees on value added services and products are recognised on rendering of services and products to the customer.

d. Taxes:

Incomes are recognised net of the goods and services tax, wherever applicable.

(B) Expenditures

(i) Finance Costs:

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 3.A.(i)].

(ii) Other Expenses:

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

(C) Cash & cash equivalents:

Cash and cash equivalents in the balance sheet comprise of cash at bank and on hand and short -term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

(D) Financial instruments:

A financial instrument is defined as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and other borrowings etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

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(i) Financial Assets:

Initial measurement and Recognition:

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction cost. Processing fees and other charges earned on or before disbursement of loan assets have been amortised over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

Subsequent measurement:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized Cost using effective interest rate method:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at fair value through profit or loss (FVTPL).

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated for financial assets having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

- Fair Value through other Comprehensive Income ("FVOCI"):

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Fair Value through Profit and Loss ("FVTPL"):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De- recognition of Financial Assets:

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

(ii) Financial Liabilities:

Recognition and initial measurement:

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified at amortised cost. Processing fees, commission and other charges incidental to the borrowed terms loans have been amortised over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

Debt instrument- A 'debt instrument' here means Term loans which are measured at the amortised cost if both the following conditions are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Subsequent measurement:

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

De-recognition of Financial liabilities:

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned liabilities or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues.

Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of Financial Instrument:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

(iv) Impairment of Financial Assets:

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's Expected Credit Loss ("ECL") model comprises of number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

1. The classification of loan portfolio into various stages based on the number of days overdue.
2. Risk Categorization of customer based upon their Income Profile, Value of collaterals, Age Group, Mortgage type and Education considered for loan loss allowance.

The Company uses expected credit loss ("ECL") allowance for financial assets measured at amortized cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The measurement of the loss allowance in respect of loans (other than those measured at FVTPL) is based on the present value of the asset's expected cash flows using the asset's original EIR.

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The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1 - Facilities with present credit risk is low and falling under zero to thirty days past due (DPD).

Stage 2 - Facilities with present credit risk is medium or facilities with present credit risk is low but are under-performing assets having 31 to 90 DPD. In gold Loans falling under 31 to 90 DPD, no additional provision is being created as management found it highly secured and easy to recover.

Stage 3 - Facilities with present credit risk is high or facilities with present credit risk is low or medium but are non-performing assets having greater than 90 DPD. In gold Loans having more than 90 days DPD, no additional provision is being created as management found it highly secured and easy to recover.

Being a housing finance company, the company has to follow the guidelines given by the Reserve Bank of India (RBI) on Prudential norms on Asset Classification and provisioning requirement. The prudential norms prescribed by RBI do not consider the value of security for standard and substandard assets. The company provides for impairment of financial assets on the basis of the Expected Credit Loss Model or the prudential norms of RBI whichever is higher.

(E) Income Tax:

Tax expense comprises of current tax and deferred tax.

(i) Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

The Company opted to pay tax under section 115BAA of the Income Tax Act, 1961, consequently the provision of Section 115JB of the Income Tax Act, 1961 pertaining to MAT is not applicable.

(ii) Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amounts.

Deferred income tax are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred tax asset/liability is measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled.

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(F) Property, plant and equipment:

Properties, Plant & equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

The Company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciable amount of an asset is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment, including assets taken on lease, other than freehold land is charged based on Written down method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The useful life of asset taken into consideration as per Schedule II for the purpose of calculating depreciation is as follows: -

Particulars of Property, Plant & Equipment	Useful life (in years)
Furniture & fixtures	10
Vehicles	8
Office Equipments*	5
Computers	3
Plant & Machinery	15

*Taken at 10 years in case of those assets where management thinks fit.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as a difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss.

At the end of each reporting period, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

(G) Intangible assets and amortisation thereof:

Intangible assets, representing software are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the written down value method over a period of ten years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

(H) Provision, contingent liabilities and contingent assets:

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Contingent Assets and Contingent Liabilities are not recognized in the Ind AS financial statements.

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Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the installments are overdue for more than ninety days are classified as NPAs in accordance with the prudential norms prescribed under Master Direction issued by RBI. The provisioning policy of Company covers the minimum provisioning required as per the Master Direction.

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the loan portfolios based on the Master Direction. A higher non-performing asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgment. This estimate includes consideration of economic and business conditions. The amount of the allowance for credit losses is the amount that is required to establish a balance in the Provision for Non-Performing Assets Account that management consider adequate, after consideration of the prescribed minimum requirement under the Master Direction.

(I) Employee benefits:

(i) Short term employee benefits:

(a) Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee including expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(ii) Post-Employment Benefits:

➢ Defined Contribution Plan

(a) Provident Fund: The Company contributes to a government administered Provident Fund in accordance with the provisions of Employees Provident Fund Act. The Amount contributed is recognized as an expense in the period in which the services are rendered by the employees

(b) Employee State Insurance: The Company contributes certain amount to Employee state Insurance as per the provisions of the Employee state insurance act and is recognized as an expense in the period in which the services are rendered by the employees

➢ Defined Benefit Plans

(a) Gratuity: The Company's Gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.
The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income net of tax. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

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(b) Leave Encashment: The Company has adopted a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences i.e. paid leave is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(J) Leases:

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective approach whereby a lessee applies the new standard from the beginning of the current period. The lessee calculates the lease asset and lease liability as at the beginning of the current period and recognized an adjustment in equity at the beginning of the current period. Accordingly, a lessee will not restate its prior period financial information under this approach.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

(K) Earnings per share (EPS):

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the Ind AS financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

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(L) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 in respect of Financial Instruments as under:-

(i) Ind AS 109- Financial Instruments

The amendment specifies that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.The Company has evaluated the amendment and there is no impact on its financial statements.

(ii) Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

(iii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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IFL HOUSING FINANCE LIMITED

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NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

4.

(a) **Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	110.61	22.26
Balance with banks:		
-In current accounts	58.55	112.80
-Remittance in Transit	0.47	-
In Other Deposit Accounts		
-In fixed deposits (maturities less than 3 months)	-	293.24
Total	**169.63**	**428.30**

(b) **Bank Balance other than Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with bank (maturities more than 3 months)	50.00	-
Fixed Deposit with bank under Lien (Refer Note 4.(b).(i))		
-In fixed deposits (maturities more than 3 months)	1,052.04	550.00
Total	**1,102.04**	**550.00**

4.(b).(i) Fixed Deposit with bank under Lien

a.Fixed deposits of Rs. 100 Lakhs (P.Y. Rs. 100 Lakhs) against which Bank Guarantee is being given to NHB for loan against regular refinance scheme.

b.Fixed deposits of Rs. 950 Lakhs (P.Y. Rs. 450 Lakhs) against which Overdraft limit from AU Bank.

c. Fixed deposits of Rs. 1.02 lakhs (P.Y. Rs. NIL) each against Overdraft Facility from City Union and Federal Bank.

4.(b).(ii) The amount of Fixed deposits above does not include interest accrued as included separately in other financial assets- accrued interest on others.

5. Loans

At Amortised Cost

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Term Loans		
Housing loans	8,559.55	6,412.27
Loan Against Property	2,205.06	2,178.14
Loan Against Shares	181.34	244.26
Loan Against Gold Jewellery	3,705.51	74.87
Total Gross (A) (I)	**14,651.46**	**8,909.54**
Less: Impairment Loss Allowance	92.75	62.02
Total Net (A) (II)	**14,558.71**	**8,847.52**
(B) (i) Secured by Tangible Assets	14,470.12	8,665.28
(ii) Secured by Intangible Assets	181.34	244.26
(ii) Unsecured	-	-
Total Gross (B) (I)	**14,651.46**	**8,909.54**
Less: Impairment Loss Allowance	92.75	62.02
Total Net (B) (II)	**14,558.71**	**8,847.52**
(C) (I) Loans in India		
(ii) Public Sector	-	-
(ii) Others	14,651.46	8,909.54
Total Gross (C) (I)	**14,651.46**	**8,909.54**
Less: Impairment Loss Allowance	92.75	62.02
Total Net (C) (II)	**14,558.71**	**8,847.52**
(II) Loans Outside India	-	-
Less: Impairment Loss Allowance	-	-
Total Net (C) (III)	-	-
Total Net (C) (II) and (III)	**14,558.71**	**8,847.52**

5.1 **Loans granted to promotors, Directors, KMPS and related parties**

a. repayable on demand	Nil	Nil
b. without specifying any terms or period of repayment	Nil	Nil

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IFL HOUSING FINANCE LTD. NEW DELHI

IFL HOUSING FINANCE LIMITED

CIN: U65910DL2015PLC285284

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

6. **Investments**

In India (at FVTPL)

Particulars	As at March 31, 2022	As at March 31, 2021
In Mutual Funds*		
A. At Fair Value through profit and loss	199.99	999.98
Add: Fair Value Gains	2.93	36.17
Total Gross	**202.92**	**1,036.15**
B. Impairment Loss Allowance	-	-
C. Net (A)- (B)	**202.92**	**1,036.15**

*** 100% of the investments in mutual funds are in Debt Oriented Mutual Funds.**

6.1 **Details of Investments are as follows:**

Mutual Funds as on March 31, 2022

Particulars	Units (in Nos.)	Amount
SBI Magnum Low Duration Fund	3,514	100.05
SBI Multicap Fund	999,950	102.87
Total	**1,003,464**	**202.92**

Mutual Funds as on March 31, 2021

Particulars	Units (in Nos.)	Amount
SBI Magnum & PSU Debt Fund	40,570	1,036.15
Total	**40,570**	**1,036.15**

7. **Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit- Unsecured; Considered Good	35.75	13.75
Advance to Dealers	10.86	29.68
Accrued interest on others	68.31	44.80
Ex-Gratia Receivables	-	26.91
Retention Money	79.23	37.50
Total	**194.15**	**152.64**

8. **Deferred tax assets/(Liabilities) recorded in Balance Sheet**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance of Deferred Tax Asset	44.54	29.95
a. Changes in deferred tax assets/(liabilities) recorded in profit or loss	56.07	14.59
b. Changes in deferred tax recorded in other comprehensive Income	-	-
c. Changes in deferred tax recorded in Retained Earning	-	-
Closing Balance of Deferred Tax Assets	**100.61**	**44.54**

8.1 **Changes in deferred tax assets/(liabilities) recorded in profit or loss**

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax related to the following		
Disallowances u/s 43B of the Income Tax Act, 1961	0.61	-
Disallowances u/s 40A of the Income Tax Act, 1961	2.60	
Impairment on financial instruments	23.34	-
Depreciation and amortisation expenses	2.90	2.22
Financial Instrument (Loans) measured at EIR	48.39	12.05
Financial Instrument (Borrowings) measured at EIR	(14.42)	1.30
Lease Liability Impact	5.08	(0.45)
Special Reserve Created u/s 36(1)(viii)	(11.16)	-
Unrealised net gain/loss on fair value changes	(0.74)	-
Others	(0.53)	(0.53)
Deferred Tax Assets	**56.07**	**14.59**

8.2 Deferred tax asset is recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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IFL HOUSING FINANCE LTD. NEW DELHI

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

9. Property, Plant and Equipment, Right to use Asset & Intangible Assets as at March 31, 2022:

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at April 01, 2021	Addition	Deduction/ Sale	As at March 31, 2022	As at April 01, 2021	For the Year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
A. Property, Plant and Equipment									
Furniture and fixtures	37.09	70.04	-	107.13	7.65	16.11	23.76	83.37	29.44
Vehicles	18.34	1.61	-	19.95	10.11	2.84	12.95	7.00	8.23
Office Equipments	23.25	41.22	0.88	63.59	8.92	13.34	22.26	41.34	14.33
Computers	27.49	57.84	0.17	85.16	17.39	21.70	39.09	46.07	10.10
Plant and Machinery	-	13.77	-	13.77	-	1.77	1.77	12.00	-
Sub Total	**106.17**	**184.48**	**1.05**	**289.60**	**44.07**	**55.77**	**99.83**	**189.78**	**62.11**
Previous Year	66.00	40.17	-	106.17	26.57	17.49	44.07	62.11	39.45
B. Right to use Assets									
Office Premises (Right of Use asset)	146.42	671.44	-	817.86	32.34	78.51	110.85	707.01	114.08
Sub Total	**146.42**	**671.44**	**-**	**817.86**	**32.34**	**78.51**	**110.85**	**707.01**	**114.08**
Previous Year	62.17	84.25	-	146.42	24.63	7.71	32.34	114.08	37.54
C. Intangible Assets									
Softwares	111.38	19.19	-	130.57	30.43	25.61	56.04	74.53	80.95
Sub Total	**111.38**	**19.19**	**-**	**130.57**	**30.43**	**25.61**	**56.04**	**74.53**	**80.95**
Previous Year	70.75	40.63	-	111.38	10.80	19.63	30.43	80.95	59.95

Property, Plant and Equipment, Right to use Asset & Intangible Assets as at March 31, 2021:

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at April 01, 2020	Addition	Deduction/ Sale	As at March 31, 2021	As at April 01, 2020	For the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
A. Property, Plant and Equipment									
Furniture and fixtures	15.69	21.40	-	37.09	4.10	3.55	7.65	29.44	11.59
Vehicles	18.34	-	-	18.34	6.39	3.72	10.11	8.23	11.95
Office Equipments	14.30	8.95	-	23.25	5.56	3.36	8.92	14.33	8.75
Computers	17.67	9.82	-	27.49	10.52	6.87	17.39	10.10	7.16
Sub Total	**66.00**	**40.17**	**-**	**106.17**	**26.57**	**17.49**	**44.07**	**62.11**	**39.45**
Previous Year	31.59	34.42	-	66.01	9.66	16.90	26.56	39.45	21.93
B. Right to use Assets									
Office Premises (Right of Use asset)	62.17	84.25	-	146.42	24.63	7.71	32.34	114.08	37.54
Sub Total	**62.17**	**84.25**	**-**	**146.42**	**24.63**	**7.71**	**32.34**	**114.08**	**37.54**
Previous Year	-	62.17	-	62.17	-	24.63	24.63	37.54	-
C. Intangible Assets									
Softwares	70.75	40.63	-	111.38	10.80	19.63	30.43	80.95	59.95
Sub Total	**70.75**	**40.63**	**-**	**111.38**	**10.80**	**19.63**	**30.43**	**80.95**	**59.95**
Previous Year	2.43	68.32	-	70.75	0.49	10.30	10.80	59.95	1.93

Notes

9.1 All the above property, plant & equipment are owned by the company unless specified otherwise.

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IFL HOUSING FINANCE LTD. ★ NEW DELHI

(Rs. in lakhs, except for share data and unless otherwise stated)

10. Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021
Intangible assets under development (software)	25.61	-
Total	25.61	-

Intangible assets under development as on March 31, 2022

Intangible Assets Under Development	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
Software Development in progress	25.61	-	-	-
Software Development temporary suspended	-	-	-	-

Intangible assets under development as on March 31, 2021

Intangible Assets Under Development	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
Software Development in progress	-	-	-	-
Software Development temporary suspended	-	-	-	-

11. Other non- financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to employees	-	6.15
Prepaid expenses	15.30	7.50
Total	15.30	13.65

12. Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (Note 37)	-	-
- Total outstanding dues of other than micro enterprises and small enterprises	12.36	3.95
Total	12.36	3.95

Trade Payable Ageing Schedule as on March 31, 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	12.36	-	-	-	12.36
(iii Disputed dues- MSME	-	-	-	-	-
(iv Disputed dues- Others	-	-	-	-	-
Total	12.36	-	-	-	12.36

Trade Payable Ageing Schedule as on March 31, 2021

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	3.95	-	-	-	3.95
(iii Disputed dues- MSME	-	-	-	-	-
(iv Disputed dues- Others	-	-	-	-	-
Total	3.95	-	-	-	3.95

13. Borrowings (other than debt securities)

Particulars	As at March 31, 2022	As at March 31, 2021
__Secured__		
__At Amortised Cost__		
Term Loans:		
- From Banks	4,564.09	2,097.39
- From Other Non-Banking Financial Institutions	1,538.22	1,267.10
- From National Housing Bank	900.56	1,247.73
Overdraft:		
- From Banks	1,315.11	-
Others		
- Loans from related parties (unsecured)	-	-
Total	8,317.98	4,612.22
Out of Above:		
In India	8,317.98	4,612.22
Outside India	-	-

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(Rs. in lakhs, except for share data and unless otherwise stated)

13.1 Nature of Security

a Term Loans from Banks are secured against hypothecation of present and future loan receivables amounting from 110% to 125% of loan value and equitable mortgage of property belonging to promoters and other group companies, corporate guarantee of holding company, other entity in which directors are interested and personal guarantee of director. The same are repayable in equal instalments from 60 to 96 months.

b Term Loans from other Financial Institutions being NBFCs/HFCs are secured against hypothecation of present and future loan receivables amounting from 100% to 110% of loan value, corporate guarantee of holding company and personal guarantee of director. The same are repayable in equal instalments from 48 to 60 months.

c The Company has taken term loan from National Housing Bank (NHB) under various schemes offered by NHB i.e. LIFT and Regular Refinance. Term Loans outstanding from NHB are secured against hypothecation of present and future loan receivables amounting to 125% of loan value, corporate guarantee of holding company and personal guarantee of director. The same are repayable in Quarterly equal instalments from 60 to 84 months.

d Overdraft Facility from Bank is against pledge of customers' gold with maximum margin of 25%. Corporate guarantee of holding company and personal guarantee of directors.

e Quarterly Returns filed with the Banks/FI/NHB are in agreement with the books of accounts.

f The company has duly filed Registration of charges and Satisfaction of charges with Registrar Of Companies.

13.2 Terms of Repayment of Term Loans and Debentures as at March 31, 2022

Particulars	Upto 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Secured					
At Amortised Cost					
Term Loans:					
From Banks ROI 8.70%-9.23%	714.21	1,501.58	1,327.13	1,021.17	4,564.09
From National Housing Bank (NHB) ROI 6.55%-6.65%	288.00	576.00	36.56	-	900.56
From Non-Banking Financial Institutions (FI) ROI 11.45%-12.60%	633.89	692.89	211.44	-	1,538.22
Overdraft:					
From Banks ROI 9.90%-10.75%	1,315.11	-	-	-	1,315.11
Total	**2,951.21**	**2,770.47**	**1,575.13**	**1,021.17**	**8,317.98**
EIR Impact					**77.70**
Total					**8,395.68**

Terms of Repayment of Term Loans and Debentures as at March 31, 2021

Particulars	Upto 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Secured					
At Amortised Cost					
Term Loans:					
From Banks ROI 8.70%-9.63%	380.03	726.33	612.31	378.72	2,097.39
From National Housing Bank (NHB) ROI 7.25%-7.35%	288.00	576.00	343.64	40.09	1,247.73
From Other Non-Banking Financial Institutions ROI 11.45%-12.60%	435.52	631.80	199.78	-	1,267.10
Overdraft:					
From Banks ROI (Not Applicable)	-	-	-	-	-
Total	**1,103.55**	**1,934.13**	**1,155.73**	**418.81**	**4,612.22**
EIR Impact					**20.42**
Total					**4,632.64**

13.3 The company has not being declared wilful defaulters by any bank or financial institution or other lenders.

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(Rs. in lakhs, except for share data and unless otherwise stated)

14. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued But Not Due on Borrowings	3.74	0.29
Insurance of loan applicant	29.01	5.46
Lease liability* (Note 14.a)	728.33	114.65
Other expenses payable	105.22	44.06
Total	**866.30**	**164.46**

*Disclosed as required by Ind AS 116 - Leases as state below

a. Lease Liability Movement

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	114.65	39.92
Add:		
Addition during the year	680.98	74.73
Interest on lease Liability	40.16	2.26
Less:		
Derecognised during the year	(10.87)	(11.66)
Lease Rental Payments	(96.59)	9.40
Balance as at the end of the year	**728.33**	**114.65**

b. Lease rentals of Rs. 12.80 Lakhs (Previous year Rs. 30.39 Lakhs) pertaining to short-term leases has been charged to statement of profit and loss.

c. Maturity Analysis of Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Less than One year	71.85	17.81
One to five Year	402.48	46.21
More than five Year	254.00	50.63
Total	**728.33**	**114.65**

15. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
-Gratuity	10.91	-
-Leave Encashment	2.42	-
Total	**13.33**	-

16. Other non financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	-	0.32
Payable to authorities (net)	8.49	4.24
Advance Interest Received on Loans	41.70	1.70
Total	**50.19**	**6.26**

17. Equity share capital

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 (Amount)	As at March 31, 2021 Nos.	As at March 31, 2021 (Amount)
Authorized shares				
Equity shares of Rs. 10 each with voting rights	65,000,000	6,500.00	60,000,000	6,000.00
Issued, subscribed and fully paid- up shares	**60,473,400**	**6,047.34**	**54,468,000**	**5,446.80**

17.1 Reconciliation of number of equity shares and amount outstanding

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 (Amount)	As at March 31, 2021 Nos.	As at March 31, 2021 (Amount)
Equity Shares				
- At the beginning of the period	54,468,000	5,446.80	49,923,000	4,992.30
- Issued during the year (Right Issue)#	6,005,400	600.54	4,545,000	454.50
Total Outstanding at the end of the period	**60,473,400**	**6,047.34**	**54,468,000**	**5,446.80**

#The Company allotted equity shares of Rs. 10 each at a premium of Rs. 8.35 per share (P.Y. at a premium of Re. 1 per share) pursuant to the scheme of right issue.

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(Rs. in lakhs, except for share data and unless otherwise stated)

17.2 Terms and rights attached to equity shares

The Company has issued only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend if any to be proposed by the Board of Directors will be subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

17.3 Shares held by the holding Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
India Finsec Limited	39,714,980	65.67%	39,714,980	72.91%

17.4 Details of shareholders holding more than 5% shares in the Company: -

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
India Finsec Limited	39,714,980	65.67%	39,714,980	72.91%
Ms. Sunita Bansal	6,223,070	10.29%	5,667,270	10.40%
Mr. Gopal Bansal	5,388,000	8.91%	5,388,000	9.89%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17.5 Details of shareholding held by promoters in the Company: -

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
India Finsec Limited	39,714,980	65.67%	39,714,980	72.91%
Ms. Sunita Bansal	6,223,070	10.29%	5,667,270	10.40%
Mr. Gopal Bansal	5,388,000	8.91%	5,388,000	9.89%
M/s Gopal Bansal (Huf) *	2,007,734	3.32%	2,007,740	3.69%
Ms. Kriti Suri #	1,480,010	2.45%	1,480,010	2.72%
Mr. Virender Kumar Bansal *	1,362,401	2.25%	-	-
Ms. Santosh Bansal *	1,362,401	2.25%	-	-
Mr. Ashish Bansal #	681,201	1.13%	-	-
Ms. Nirmala Devi $	681,201	1.13%	-	-
Mr. Naresh Kumar Bansal $	681,201	1.13%	-	-
Ms. Charu Bansal $	681,201	1.13%	-	-
M/s Arvind Kumar Bansal (Huf) *	209,990	0.35%	209,990	0.39%
Mr. Arvind Kumar Bansal *	10	0.00%	10	0.00%

* Relatives of Promoter Mr. Gopal Bansal

having control over the affairs of the company directly or indirectly whether as a shareholder, director or otherwise.

$ Relatives of Promoter Mr. Ashish Bansal

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(Rs. in lakhs, except for share data and unless otherwise stated)

18. Other Equity

Particulars	As at March 31, 2022		As at March 31, 2021	
Statutory Reserve				
(In terms of section 29C of the NHB Act, 1987 and Sec 36(1)(viii) of Income Tax Act, 1961)				
Balance as per last financial statements	240.66		134.17	
Add: Transferred during the year	80.52		106.49	
Net Balance of Special Reserve		**321.18**		**240.66**
Securities Premium				
Opening balance	64.70		19.25	
Add: addition/(deletion) during the year	501.45		45.45	
Closing balance		**566.15**		**64.70**
Retained earnings				
Opening balance	787.29		400.93	
Add: Profit/(loss) for the year	402.58		492.85	
Less: Appropriation to Statutory reserve	(80.52)		(106.49)	
Closing balance		**1,109.35**		**787.29**
Equity instruments through other comprehensive income				
Opening balance	-		4.26	
Add: addition/(deletion) during the year	-		(4.26)	
Closing balance		-		-
Total		**1,996.68**		**1,092.65**

18.1 Nature and Purpose of Reserves

a. **Statutory Reserves**

As per section 29C of the National Housing Bank Act, 1987, the company is required to transfer at least 20% of its net profit every year to reserve before any dividend is declared. For this purpose, any Special Reserve created by it under section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The company doesn't anticipate any withdrawal from Statutory Reserve in foreseeable future.

b. **Security Premium**

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

c. **Retained earnings**

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

19. Interest Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
On financial assets measured at amortised cost		
- on loans	2,099.24	1,520.03
- Interest on Deposits with Banks	75.21	48.86
Total	**2,174.45**	**1,568.89**

20. Fees and Commission Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fees and Other Charges	71.32	43.18
Total	**71.32**	**43.18**

21. Net Gain on Fair Value Changes

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on fair value changes	**24.47**	**71.29**
Fair Value Changes:		
- Realised	21.54	35.12
- Unrealised	2.93	36.17
Net gain on fair value changes	**24.47**	**71.29**

22. Other Income From Operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other Income From Operation	30.62	3.68
Total	**30.62**	**3.68**

23. Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other Interest Income	4.74	5.36
Other Income	42.12	25.48
Total	**46.86**	**30.84**

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(Rs. in lakhs, except for share data and unless otherwise stated)

24. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
- Interest on borrowings	490.64	436.22
- Interest expense on lease liabilities	40.16	2.26
- Bank Charges	6.90	1.36
Total	**537.70**	**439.84**

25. Impairment on Financial Instruments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On Financials Instruments measured at amortised Cost		
- Loans	30.72	23.93
- Bad Debts Written Off	-	36.07
Total	**30.72**	**60.00**

26. Employee benefits expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	681.70	305.20
Contribution to Provident and Other Funds	56.60	17.21
Staff Welfare Expenses	11.34	11.05
Other Benefits	52.53	19.50
Total	**802.17**	**352.96**

27. Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement expenses	15.02	0.30
Payments to Auditors (refer Note 27.1)	1.57	1.38
Insurance Expense		
- Car Insurance	0.22	0.41
- Office Insurance	12.51	0.30
Commission expenses	0.55	3.15
Conveyance expenses	38.92	15.51
Communication Expense	4.01	1.63
Director's Sitting Fees	2.35	-
Documentation & stamp charges	0.92	3.64
Document Handling & Storage Expense	2.23	-
Donations		
- for Corporate Social Responsibility (refer Note 27.2)	7.00	7.60
- for other donations	-	0.51
Fee & subscriptions	7.41	2.29
Interest on government dues	0.44	4.47
Legal & technical charges	38.49	17.67
Branch opening expenses	0.26	1.64
Professional charges	30.41	27.38
Printing & Stationery	16.38	5.00
Power & Fuel	9.70	4.87
Postage & Courier	5.19	2.18
Penal Charges	-	0.38
Rent expenses	12.80	30.39
Repair & Maintenance		
- Office Repair & Maintenance	11.38	6.28
- Vehicle Repair & Maintenance	1.06	0.18
- Computer Repair & Maintenance	2.71	3.99
Software expenses	28.77	25.55
Server Maintenance Charges	2.78	-
Tour & travelling expenses	3.24	3.27
Other expenses	25.50	9.43
Total	**281.82**	**179.41**

27.1 Auditor Remuneration Includes:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
- for statutory audit	0.89	0.75
- for tax audit	0.30	0.25
- for certification fees	0.38	0.38
Total	**1.57**	**1.38**

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27.2 Corporate Social Responsibility Expense (CSR)

As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2014, the company is required to spend for CSR activities in accordance with its CSR policy. The details of the CSR expenses for the year are as under:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
For Corporate Social Responsibility	7.00	7.60
Total	**7.00**	**7.60**

27.2.1

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	9.36	5.08
b) Un-utilised Amount brought forward from previous year	-	-
c) Excess Amount spent last year brought forward *	2.50	-
d) Amount of Expenditure incurred during the year	7.00	7.60
e) Shortfall at the end of the year	-	-
f) Total of Previous Year Shortfall	-	NA
g) Un-utilised Amount carried forward to next year	-	-
h) Excess Amount spent carried forward to next year *	-	2.50
i) Nature of CSR Activities	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation.	a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation. b. Ensuring Animal Welfare
j) Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
k) where a provision is made with respect to a liability incurred by entering into a contractual obligations, the movements in the provision during the year shall be shown separately.	Nil	Nil

*The Board of Directors of the company, in their meeting held on 08th of February, 2021, resolved to set off the excess spent to the tune of Rs. 2.50 Lakhs with the Financial Year 2021-22. The same is being treated as utilised in Current Financial Year.

28. Income Tax

The components of income tax expense are as under:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	188.90	162.29
Adjustment in respect of current income tax of prior years	-	-
Deferred Tax		
Deferred Tax Charge	(40.45)	(14.59)
Adjustment in respect of prior Year	(15.62)	-
Income tax expense reported in Statement of Profit and Loss	**132.83**	**147.70**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

28.1 Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and year ended March 31, 2021 is, as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	535.41	640.85
At India's statutory income tax rate of 25.168% (2021: 25.168%)	**134.75**	**161.29**
Reconciling Items		
Statutory Reserve u/s 36(1)(viii) of Income Tax Act, 1961	11.16	-
Corporate Social Responsibility and Others	(13.08)	(13.59)
Income tax expense reported in the Statement of Profit and Loss	**132.83**	**147.70**

29. Earnings per Equity share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to ordinary equity holders	402.58	492.83
Weighted average number of equity shares for basic earnings per share	573.54	500.10
Effect of dilution	-	-
Weighted average number of equity shares for diluted earnings per share	573.54	500.10
Earnings per equity share:		
Basic earnings per share (Rs.)	**0.70**	**0.99**
Diluted earnings per share (Rs.)	**0.70**	**0.99**

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30. Special reserve:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer u/s 29C of the NHB Act, 1987 also. The company created Special Reserve of Rs. 44.35 Lakhs u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987 and addition Special Reserve of Rs. 36.16 Lakhs as per Section 29C of the National Housing Bank Act, 1987.

31. Retirement benefit plan:

(i) Defined Contribution Plan:

a. **Provident Fund:** The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized Rs. 37.47 Lakhs (March 31, 2021: Rs. 14.00 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss.

b. **Employee State Insurance:** The Company makes contributions to Employees State Insurance which are defined contribution plan for qualifying employees. The Company recognized Rs. 8.22 lakhs (March 31, 2021: Rs. 3.22 lakhs) for Employees State Insurance contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

a. **Gratuity (unfunded):** The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Payment of Gratuity Act, 1972. However, no vesting condition applies in case of death. Gratuity liability is non- funded.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Net Liability/(assets) recognised in the Balance Sheet

(Rs. in lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the end	10.91	NA

Net benefit expense recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Service Cost	10.91	NA
Total expense recognised in the employee benefit expense	10.91	NA

Details of changes in present value of defined benefit obligations as follows:

(Rs. in lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at the beginning of the year	NA	NA
Service cost	10.91	NA
Present value of obligation as at the end of the year	10.91	NA

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The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particular	As at March 31, 2022	As at March 31, 2021
i) Discount rate	6.19%	NA
ii) Future salary increase	15.00%	NA
iii) Withdrawal Rate	30.00%	NA
iv) Mortality Rate	100.00%	NA

Notes:

(i) The actuarial valuation of plan assets and the present valuation of defined benefit obligation were computed at year end. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is computed after considering the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

b. Leave Encashment: The expected cost of accumulating compensated absences i.e. paid leave is determined by an independent actuarial is accumulated and booked at the balance sheet date amounting to Rs. 2.42 Lakhs.

32. Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

(Rs. in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial assets						
(a) Cash and cash equivalents	169.63	-	169.63	428.30	-	428.30
(b) Bank Balance other Cash and cash equivalents	1,002.04	100.00	1,102.04	450.00	100.00	550.00
(c) Loans*	4,958.19	9,600.52	14,558.71	701.20	8,146.32	8,847.52
(d) Investments	202.92	-	202.92	1,036.15	-	1,036.15
(e) Other financial assets	103.46	90.69	194.15	109.27	43.37	152.64
Total Financial assets	**6,436.24**	**9,791.21**	**16,227.45**	**2,724.92**	**8,289.69**	**11,014.61**
Non-financial assets						
(a) Deferred tax assets (net)	-	100.61	100.61	-	44.54	44.54
(b) Property, plant and equipment	-	189.78	189.78	-	62.11	62.11
(c) Right to use Asset	108.44	598.57	707.01	29.37	84.71	114.08

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(d)Intangible assets under development	25.61	-	25.61	-	-	-
(e) Other intangible assets	-	74.53	74.53	-	80.95	80.95
(f) Other non-financial assets	15.30	-	15.30	13.43	0.22	13.65
Total Non-financial assets	**149.35**	**963.49**	**1,112.84**	**42.80**	**272.53**	**315.33**
Total Assets	**6,585.59**	**10,754.70**	**17,340.29**	**2,767.72**	**8,562.22**	**11,329.94**

*Provision is netting off based upon maturity date of loans.

(Rs. in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial liabilities						
(a) Payables						
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	12.36	-	12.36	3.95	-	3.95
(b) Borrowings (other than debt securities)	2,951.21	5,366.77	8,317.98	1,103.37	3,508.85	4,612.22
(c) Other financial liabilities	180.80	685.50	866.30	67.63	96.83	164.46
Total Financial liabilities	**3,144.37**	**6,052.27**	**9,196.64**	**1,174.95**	**3,605.68**	**4,780.63**
Non-financial liabilities						
(a) Current tax liabilities (net)	36.11	-	36.11	3.60	-	3.60
(b) Provisions	2.42	10.91	13.33	-	-	-
(c) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
(d) Other non financial liabilities	8.51	41.68	50.19	4.56	1.70	6.26
Total Non-financial liabilities	**47.04**	**52.59**	**99.63**	**8.16**	**1.70**	**9.86**
(a) Equity share capital	-	6,047.34	6,047.34	-	5,446.80	5,446.80
(b) Other equity	-	1,996.68	1,996.68	-	1,092.65	1,092.65
Total Equity	-	**8,044.02**	**8,044.02**	-	**6,539.45**	**6,539.45**
Total Liabilities and Equity	**3,191.41**	**14,148.88**	**17,340.29**	**1,183.11**	**10,146.83**	**11,329.94**

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33. Contingent liabilities and commitments:

(Rs. in lakhs)

S. No.	Particular	As at March 31, 2022	As at March 31, 2021
(I)	Contingent liabilities and commitments	-	-
(II)	Claims against the company not acknowledged as debts	-	-
(III)	Disputed income tax liability	-	-
(IV)	Commitment towards sanction pending disbursement including part disbursement	**856.39**	**460.16**
	-Towards sanction pending disbursement	128.36	60.70
	-Towards part disbursement	728.03	399.46
(V)	Pending capital commitment	-	-

34. Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I capital	7,136.26	6,299.88
Tier II capital	52.38	42.35
Total capital (Tier I + Tier II)	**7,188.64**	**6,342.23**
Adjusted value of funded risk assets i.e. On Balance Sheet Item	9,540.81	5,873.44
Adjusted value of non-funded risk assets i.e. Off Balance Sheet Item	428.20	230.08
Total Risk weighted assets	**9,969.01**	**6,103.52**
Tier I capital ratio	71.58%	103.22%
Tier II capital ratio	0.53%	0.69%
Total capital ratio	**72.11%**	**103.91%**

Note: Previous year CRAR is being recalculated from 103.84% to 103.91% considering Right to use assets as an intangible assets. The same is having no material impact on financial statements.

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, statutory reserve, retained earnings including current year profit net of Deferred Tax and Intangible Assets. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

35. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), 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.

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The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1- Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2- Valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3- Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2022 is as follows:

(Rs. in lakhs)

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments- FVTPL	202.92	-	-	202.92

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2021 is as follows:

(Rs. in lakhs)

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments- FVTPL	1036.15	-	-	1036.15

Valuation methodologies of financial instruments measured at fair value: Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss : For investments at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date.

Financial instruments not measured at fair value: Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments measured at fair value through profit and loss account.

(Rs. in lakhs)

PARTICULARS	LEVEL	CARRYING VALUE		FAIR VALUE*	
		AS AT MARCH 31, 2022	AS AT MARCH 31, 2021	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Financial assets					
Cash and cash equivalents	1	169.63	428.30	169.63	428.30
Bank Balance other Cash and cash equivalents	1	1,102.04	550.00	1,102.04	550.00
Loans	3	14,558.71	8,847.52	14,558.71	8,847.52
Other financial assets	3	194.15	152.64	194.15	152.64
Financial assets		**16,024.53**	**9,978.46**	**16,024.53**	**9,978.46**
Financial liabilities					
Payables					
Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises	3	-	-	-	-

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(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3	12.36	3.95	12.36	3.95
Borrowings (other than debt securities)	3	8,317.98	4,612.22	8,317.98	4,612.22
Other financial liabilities	3	866.30	164.46	866.30	164.46
Financial liabilities		**9,196.64**	**4,780.63**	9,196.64	**4,780.63**

*fair value computed using discounted value method.

36. Risk management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

A. Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on 3 broad categories viz: (i) Housing Loan, (ii) Loan Against Property, (iii) Loan against collateral of Gold Jewellery. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1 - Facilities with present credit risk is low and falling under zero to thirty days past due (DPD).

Stage 2 - Facilities with present credit risk is medium or facilities with present credit risk is low but are under-performing assets having 31 to 90 DPD. In gold Loans falling under 31 to 90 DPD, no additional provision is being created as management found it highly secured and easy to recover.

Stage 3 - Facilities with present credit risk is high or facilities with present credit risk is low or medium but are non-performing assets having greater than 90 DPD. In gold Loans having more than 90 days DPD, no additional provision is being created as management found it highly secured and easy to recover.

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The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at March 31, 2022:

(Rs. in lakhs)

Particulars	Stage 1	Stage 2	Stage 3
Gross Carrying Value	11,865.49	2,598.32	187.64
Allowance for ECL	38.29	14.09	40.37
ECL Coverge Ratio (%)	**0.32%**	**0.54%**	**21.51%**

As at March 31, 2021:

(Rs. in lakhs)

Particulars	Stage 1	Stage 2	Stage 3
Gross Carrying Value	8,764.92	79.98	64.64
Allowance for ECL	41.77	0.58	25.54
ECL Coverage Ratio (%)	**0.48%**	**0.73%**	**30.44%**

Movement of impairment loss allowance

(Rs. in lakhs)

Particulars	Stage 1	Stage 2	Stage 3
Impairment Loss Allowance as at March 31, 2021	41.77	0.58	25.54
New Addition/Reduction during the year	(3.48)	13.51	14.83
Impairment Loss Allowance as at March 31, 2022	**38.29**	**14.09**	**40.37**

Collateral valuation

The Company provides fully secured loans to Customers. To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

Loan against Gold Jewellery is given against the collateral of Gold Jewellery maintaining the LTV as prescribed in Master Direction. The company seeks to use collateral through Auction of Gold Jewellery conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and on exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

B. Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. Board will have a sub-committee for reviewing ALM (ALM Committee) of the company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executives of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

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Asset liability management (ALM)

The Maturity pattern of Financial Assets and Liabilities at undiscounted rate as on March 31, 2022 are as under:-

(Rs. in lakhs)

Particulars	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial Assets									
Cash and cash equivalents	169.63	-	-	-	-	-	-	-	169.63
Bank Balance other than Cash and cash equivalents	-	1,002.04	-	-	-	-	100.00	-	1,102.04
Loans	396.31	276.01	225.75	1,279.46	2,780.68	2,639.06	2,836.14	4,125.31	14,558.71
Investments	-	202.92	-	-	-	-	-	-	202.92
Other financial assets	1.15	67.15	8.79	8.79	17.58	22.33	57.50	10.86	194.15
Financial Liabilities									
Payables									
Trade Payables									
total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	12.36	-	-	-	-	-	-	-	12.36
Borrowings (other than debt securities)	114.62	85.40	85.40	980.58	1,685.21	2,770.48	1,575.12	1,021.17	8,317.98
Other financial liabilities	114.93	6.03	6.08	17.89	35.86	139.09	263.39	283.03	866.30

The Maturity pattern of Financial Assets and Liabilities at undiscounted rate as on March 31, 2021 are as under:-

(Rs. in lakhs)

Particulars	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total

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Financial Assets									
Cash and cash equivalents	428.30	-	-	-	-	-	-	-	428.30
Bank Balance other than Cash and cash equivalents	-	-	450.00	-	-	-	100.00	-	550.00
Loans	132.41	40.38	44.09	136.54	347.78	1,530.95	1,675.37	4,940.00	8,847.52
Investments	-	1,036.15	-	-	-	-	-	-	1,036.15
Other financial assets	0.09	44.71	4.69	31.60	28.18	23.13	9.38	10.86	152.64
Financial Liabilities									
Payables									
Trade Payables									
total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	3.95	-	-	-	-	-	-	-	3.95
Borrowings (other than debt securities)	80.96	66.76	66.76	272.29	616.58	1,934.13	1,155.73	418.99	4,612.22
Other financial liabilities	51.30	1.48	1.48	4.45	8.91	23.11	23.11	50.62	164.46

C. Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at

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fixed rates. Majority of our borrowings are at floating rates, borrowings at floating rates gives rise to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate are as follows:

(Rs. in lakhs)

Impact on Profit Before Taxes	As at March 31, 2022	As at March 31, 2021
On Floating Rate Borrowings		
1% increase in interest rate	56.81	(36.10)
1% decrease in interest rate	(56.81)	(36.10)
On Floating Rate Loans and Advances		
1% increase in interest rate	27.40	35.89
1% decrease in interest rate	(27.40)	(35.89)

ii) Price risk

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

D. Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit.

37. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2nd, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is as follows:

(Rs. in lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Principal amount due remaining unpaid	Nil	Nil
Interest due on above remaining unpaid	Nil	Nil
Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the	Nil	Nil

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appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
Amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

38. Related parties:

As per IND AS 24 on "Related Party Transactions", the disclosures of transactions with the related parties entered into are given below: -

a. List of related parties where control exists and also related parties with whom transactions have taken place and relationship: -

Sr. No.	Nature of Relationship	Name of Party
(i)	Holding Company	India Finsec Limited
(ii)	Key Management Personnel	Mr. Gopal Bansal (Managing Director) Ms. Sunita Bansal (Whole Time Director) Mr. Ashish Bansal (Whole Time Director)* Ms. Kriti Suri (Whole Time Director)* Mr. Ramesh Bansal (Independent Director)** Mr. Amit Kumar Aggarwal (Independent Director) Mr. Devi Dass Agarwal (Independent Director)* Ms. Purva Mangal (Non-Executive Director)# Ms. Prerna Matta Arora (CFO) Mr. Vijay Kumar Dwivedi (Company Secretary)
(iii)	Relatives of Key Management Personnel	Daisy Distributors Private Limited Gopal Bansal HUF Ms. Charu Bansal Mr. Naresh Kumar Bansal Ms. Nirmala Devi

***Appointed w.e.f. 07-08-2021**

****Appointed w.e.f. 02-04-2021**

#Resigned w.e.f. 07-08-2021

b. Following transactions are made with the related parties covered under Ind AS- 24 on "Related Parties Disclosure": -

(Rs. in lakhs)

S. No	Transaction with	Nature of Transaction	Transactions during the year		Balances as at	
			31/03/2022	31/03/2021	31/03/2022	31/03/2021
			Amount	Amount	Amount	Amount
(i)	Key Managerial Personnel: -					
	Mr. Gopal Bansal	Director remuneration	17.24	15.00	1.50	1.50
		Rent paid	8.63	8.63	Nil	Nil

	Ms. Sunita Bansal	Director remuneration	8.67	9.00	0.75	0.75
		Advance given	Nil	150.00	Nil	Nil
		Advance received back	Nil	275.00	Nil	Nil
		Allotment of Equity share	46.41	300.00	Nil	Nil
	Ms. Kriti Suri	Salary and Conveyance	8.65	9.00	0.75	0.75
	Ms. Ashish Bansal	Allotment of equity shares	56.88	Nil	Nil	Nil
	Mr. Ramesh Bansal	Director Sitting Fees	0.70	Nil	Nil	Nil
	Mr. Amit Kr. Aggarwal	Director Sitting Fees	0.88	Nil	0.79	Nil
	Mr. Devi Dass Agarwal	Director Sitting Fees	0.60	Nil	Nil	Nil
	Ms. Prerna Matta Arora	Salary	9.84	Nil	1.35	Nil
	Mr. Vijay Kr. Dwivedi	Salary	6.67	4.34	0.78	0.57
(iii)	Relatives of Key Management Personnel: -					
	Gopal Bansal HUF	Rent paid	8.63	8.63	Nil	Nil
		Allotment of Equity shares	Nil	200.00	Nil	Nil
		Advance given	Nil	150.00	Nil	Nil
		Advance received back	Nil	275.00	Nil	Nil
	Nirmala Devi	Allotment of Equity shares	56.88	Nil	Nil	Nil
	Naresh Kr. Bansal	Allotment of Equity shares	56.88	Nil	Nil	Nil
	Charu Bansal	Allotment of Equity shares	56.88	Nil	Nil	Nil

39. Segment reporting:

The Company's main business is to provide loans for purchase, construction, repairs and renovation etc. of residential house, Loan against property and lending against collateral of gold jewellery. As such, there is no requirement to separately report for reportable segments, as per IND AS 108 "Operating Segment" specified under section 133 of the Companies Act, 2013.

40. Analytical ratios:

Ratio	Numerator	Denominator	For the Year 31.03.2022	For the Year 31.03.2021	% Variance	Reason for variance
(a) Capital to Risk-Weighted Assets Ratio	Tier I+ Tier II Capital	Adjusted value of funded risk assets i.e. On Balance Sheet	72.11%	103.91%	(31.80%)	Funding from

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(b) Tier I CRAR	Tier I Capital	Item and Adjusted value of non-funded risk assets i.e. Off Balance Sheet Item	71.58%	103.22%	(31.64%)	Outside lenders.
(c) Tier II CRAR	Tier II Capital		0.53%	0.69%	(0.16%)	Nominal
(d) Liquidity Coverage Ratio	High Quality Liquid Assets	Next 30 days Net Cash Outflow	The company's Inflows are more than outflows in the next 30 days, thus not applicable.			

Note: Previous year CRAR is being recalculated from 103.84% to 103.91% considering Right to use assets as an intangible assets. The same is having

41. During the financial year ended March 31, 2022, the company has reclassified the following comparative figures which do not have material impact on the financial statements.

(Rs.in Lakhs)

Note No.	Note Description	Previously Reported Amount	Current Revised Numbers	Change
REVENUE				
1	Interest Income	1,470.57	1,568.89	98.32
2	Fees and Commission Income	0	43.18	43.18
3	Net Gain on Fair Value Changes	0	71.29	71.29
4	Other Income from Operations	172.63	3.68	-168.95
5	Other Income	74.68	30.84	-43.84
NET CHANGE IN TOTAL INCOME				**0.00**
EXPENSES				
1	Finance costs	438.49	439.84	1.35
2	Impairment on Financial Instruments	23.93	60.00	36.07
3	Other expenses	216.82	179.41	(37.42)
NET CHANGE IN TOTAL EXPENSE				**0.00**
ASSETS				
1	Cash and cash equivalents	878.30	428.30	(450.00)
2	Bank Balance other than Cash and cash equivalents	-	550.00	550.00
3	Loans	8,753.13	8,847.52	94.38
4	Other financial assets	347.02	152.64	(194.38)
NET CHANGE IN TOTAL ASSETS				**0.00**
LIABILITIES				
1	Trade Payables (ii)total outstanding dues of creditors other than micro enterprises and small enterprises.	-	3.95	3.95
2	Borrowings (other than debt securities)	4,597.84	4,612.22	14.38
3	Other financial liabilities	187.05	164.47	(22.57)
4	Other non-financial liabilities	2.02	6.26	4.24
NET CHANGE IN TOTAL ASSETS				**0.00**

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NOTES ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

42. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

43. As the best available information on records, the Company does not have any transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the Financial Year 2021-22.

44. Disclosure pursuant to RBI Notification – RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019- 20 Dated 13 March 2020 – A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'.

(Rs. in lakhs)

Particulars	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 and provisions and IRACP norms
Asset Classification as per RBI Norms						
1	2	3	4	5= 3-4	6	7= 4-6
Performing Assets						
Standard	Stage 1	11,865.49	38.29	11,827.21	38.29	-
	Stage 2	2,598.32	14.09	2,584.23	7.95	6.14
Sub Total		**14,463.81**	**52.38**	**14,411.43**	**46.24**	**6.14**
Non- Performing Assets (NPA)						
Sub-Standard	Stage 3	161.66	25.25	136.42	24.62	0.63
Doubtful- upto 1 Year	Stage 3	14.60	3.74	10.86	3.67	0.07
1 to 3 Year	Stage 3	-	-	-	-	-
More than 3 Years	Stage 3	-	-	-	-	-
Sub Total for Doubtful		**176.27**	**28.99**	**147.28**	**28.29**	**0.70**
Loss	Stage 3	11.38	11.38	-	11.38	-
Sub Total for NPA		**11.38**	**11.38**	**-**	**11.38**	**-**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub Total		**-**	**-**	**-**	**-**	**-**
	Stage 1	**11,865.49**	**38.29**	**11,827.21**	**38.29**	**-**
	Stage 2	**2,598.32**	**14.09**	**2,584.23**	**7.95**	**6.14**
	Stage 3	**187.64**	**40.37**	**147.28**	**39.66**	**0.70**
Total		**14,651.46**	**92.75**	**14,558.71**	**85.91**	**6.84**

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NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

(Rs. in lakhs, except for share data and unless otherwise stated)

45. **Disclosure as per para 16.3 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17th, 2021**

Particulars	As at March 31, 2022	
Liabilities side	**Amount Outstanding**	**Amount Overdue**
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits")		
(b) Deferred Credits	-	-
(c) Term Loans	8,321.73	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature)	-	-
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
* Please see Note 1 below		
Asset side	**Amount Outstanding as at March 31, 2022**	
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	14,651.46	
(b) Unsecured	105.39	
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial Lease	-	
(b) Operating Lease	-	
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on Hire	-	
(b) Repossessed Assets	-	
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	
(5) Break-up of Investments		
Current Investments		
a. Quoted		
(i) Shares		
(a) Equity	-	
(b) Preference	-	
(ii) Debentures and Bonds	-	
(iii) Units of Mutual Funds	202.92	
(iv) Government Securities	-	
(v) Others	-	
b. Unquoted		
(i) Shares		
(a) Equity	-	
(b) Preference	-	
(ii) Debentures and Bonds	-	
(iii) Units of Mutual Funds	-	
(iv) Government Securities	-	
(v) Others	-	
Long Term Investments		
a. Quoted		
(i) Shares		
(a) Equity	-	
(b) Preference	-	
(ii) Debentures and Bonds	-	
(iii) Units of Mutual Funds	-	
(iv) Government Securities	-	
(v) Others	-	
b. Unquoted		
(i) Shares		
(a) Equity	-	
(b) Preference	-	

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(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-

6. Borrower group-wise classification of assets financed as in (3) and (4) above:
(Please see Note 2 below)

Category	Amount Net of Provision as at March 31, 2022		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(b) Other Related Parties	-	-	-
2. Other than Related Parties	14,558.71	105.39	14,664.10
Total	**14,558.71**	**105.39**	**14,664.10**

7. Investor group-wise classification of all investments (current and long term)in shares and securities (both quoted and unquoted) :
(Please see Note 3 below)

Category	Amount Net of Provision as at March 31, 2022		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(b) Other Related Parties	-	-	-
2. Other than Related Parties	202.92	-	202.92
Total	**202.92**	**-**	**202.92**

** As per notified Accounting Standard (Please see Note 3)

8. Other Information

Particulars	**Amount as at March 31, 2022**
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other Than Related Parties	187.64
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other Than Related Parties	147.28
(iii) Asset acquired in satisfaction of Debt	-

Notes:

a. As defined in Paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

b. Provisioning norms shall be applicable as prescribed in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

c. All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

46. Additional Disclosures In Terms of RBI/NHB Guidelines

46.1 Principal Business Criteria:

46.1.1 In terms of para 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated
a. IFL Housing Finance Limited is a Housing Finance Company whose financial assets in the business of providing finance for housing, is 52.09% of its Total Balance Sheet Assets (Netted Off by Intangible Assets) (Previous Year was 57.82%).
b. Out of the total assets (netted off by intangible), 52.09% is by way of housing finance for individuals (Previous Year was 57.82%).

46.1.2 The Company has duly submitted to the Reserve Bank, a Board approved plan including a roadmap to fulfil the above-mentioned criteria and timeline for transition through letter dated March 19, 2021.

46.2 Capital to Risk Assets Ratio (CRAR):

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
(i) CRAR (%)	72.11%	103.91%
(ii) CRAR-Tier I Capital (%)	71.58%	103.22%
(iii) CRAR-Tier II Capital (%)	0.53%	0.69%
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

Note: Previous year CRAR is being recalculated from 103.84% to 103.91% considering Right to use assets as an intangible assets. The same is having no material impact on financial statements.

(Rs. in lakhs, except for share data and unless otherwise stated)

46.3 Reserve Fund Under Section 29C of NHB Act, 1987

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		
a) Statutory reserve fund u/s 29C of NHB Act, 1987	46.49	-
b) Amount of special reserve u/s 36(1)(viii) of income tax act 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act,1987	194.17	134.17
c) Total	240.66	134.17
Addition/Appropriation/Withdrawal during the year		
Add:		
a)Amount transferred u/s 29C of the NHB Act,1987	-	-
Current Year	36.16	38.57
Previous Year Short Created	-	7.92
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	44.35	60.00
Less:		
a) Amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	82.65	46.49
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of	238.53	194.17
c) Total	**321.18**	**240.66**

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer u/s 29C of the NHB Act, 1987 also.

46.4 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross value of investments		
(a) In India	202.92	1,036.15
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	202.92	1,036.15
(b) Outside India	-	-
Movement of provision held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

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46.5 Derivatives

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

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The notional principal of swap agreements	Not Applicable	Not Applicable
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Not Applicable	Not Applicable
(iii) Collateral required by the HFC upon entering into swaps	Not Applicable	Not Applicable
(iv) Concentration of credit risk arising from the swaps $	Not Applicable	Not Applicable
(v) The fair value of the swap book @	Not Applicable	Not Applicable

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.

46.5.2 Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Not Applicable	Not Applicable
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2022 (instrument-wise)	Not Applicable	Not Applicable
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Not Applicable	Not Applicable
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Not Applicable	Not Applicable

46.5.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

Company has no exposure in Derivatives. Hence Clause 51.5.3 is not Applicable

B. Quantitative Disclosure

Particulars	As at March 31, 2022		As at March 31, 2021	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(ii) Marked to Market Positions [1]	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(a) Assets (+)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(b) Liability (-)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(iii) Credit Exposure [2]	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(iv) Unhedged Exposures	Not Applicable	Not Applicable	Not Applicable	Not Applicable

46.6 Securitisation

46.6.1 Particulars	As at March 31, 2022	As at March 31, 2021
1. No of SPVs sponsored by the HFC for securitisation transactions	Not Applicable	Not Applicable
2. Total amount of securitised assets as per books of the SPVs sponsored	Not Applicable	Not Applicable
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	Not Applicable	Not Applicable
(I) Off-balance sheet exposures towards credit enhancements	Not Applicable	Not Applicable
(II) On-balance sheet exposures towards credit enhancements	Not Applicable	Not Applicable

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46.6.1

Particulars	As at March 31, 2022	As at March 31, 2021
4. Amount of exposures to securitisation transactions other than MRR	Not Applicable	Not Applicable
(I) Off-balance sheet exposures towards credit Enhancements	Not Applicable	Not Applicable
a) Exposure to own securitizations	Not Applicable	Not Applicable
b) Exposure to third party securitisations	Not Applicable	Not Applicable
(II) On-balance sheet exposures towards credit enhancements	Not Applicable	Not Applicable
a) Exposure to own securitisations	Not Applicable	Not Applicable
b) Exposure to third party securitisations	Not Applicable	Not Applicable

*Only the SPVs relating to outstanding securitisation transactions may be reported here

46.6.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No. of accounts	Not Applicable	Not Applicable
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Not Applicable	Not Applicable
(iii) Aggregate consideration	Not Applicable	Not Applicable
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Not Applicable	Not Applicable
(v) Aggregate gain / loss over net book value	Not Applicable	Not Applicable

46.6.3 Details of Assignment transactions undertaken by HFCs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No. of accounts	Not Applicable	Not Applicable
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Not Applicable	Not Applicable
(iii) Aggregate consideration	Not Applicable	Not Applicable
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Not Applicable	Not Applicable
(v) Aggregate gain / loss over net book value	Not Applicable	Not Applicable

46.6.4 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

Particulars	As at March 31, 2022	As at March 31, 2021
1. (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2. (a) Of these, number of accounts restructured	-	-
(b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

Particulars	As at March 31, 2022	As at March 31, 2021
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

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46.7 Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities as on March 31, 2022

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	29.22	-	32.58	32.58	32.58	195.75	391.51	1,501.58	1,327.13	1,021.17	4,564.09
Market Borrowings											
- FI	-	-	52.82	52.82	52.82	158.47	316.94	692.89	211.44	-	1,538.22
- NHB	-	-	-	-	-	72.00	216.00	576.00	36.56	-	900.56
Overdraft From Banks#	-	-	-	-	-	554.35	760.76	-	-	-	1,315.11
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	26.46	252.87	116.98	276.01	225.75	1,279.46	2,780.68	2,639.06	2,836.14	4,125.31	14,558.71
Investments	-	-	-	202.92	-	-	-	-	-	-	202.92
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Investment here means investment in Debt Oriented Mutual Funds

taken at 1 year from draw down

Maturity pattern of certain items of Assets and Liabilities as on March 31, 2021

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	14.2	-	30.47	30.47	30.47	91.41	182.82	726.33	612.31	378.90	2,097.39
Market Borrowings											-
- FI	-	-	36.29	36.29	36.29	108.88	217.76	631.80	199.78	-	1,267.10
- NHB	-	-	-	-	-	72.00	216.00	576.00	343.64	40.09	1,247.73
Overdraft From Banks	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	94.05	38.36	40.38	44.09	136.54	347.78	1,530.95	1,675.37	4,940.00	8,847.52
Investments	-	-	-	1,036.15	-	-	-	-	-	-	1,036.15
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Investment here means investment in Debt Oriented Mutual Funds

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46.8 Exposure

46.8.1 Exposure to Real Estate Sector

Particulars Category	As at March 31, 2022	As at 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;	10,670.97	8,483.07
(i) Out of the above Individual Housing Loans up	7,089.05	4,285.95
(ii) Commercial Real Estate -	-	
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-	93.64	107.34
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial Real Estate	-	-
B) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	**10,764.61**	**8,590.41**

46.8.2 Exposure to Capital Market

Particulars	As at March 31, 2022	As at March 31, 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	181.34	244.26
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**181.34**	**244.26**

Note:

The Company is also having Capital Market exposure through investment in Debt Oriented Mutual Fund having Fair Market Value amounting to Rs.

46.8.3 Details of financing of parent company products

No financing of parent company products is done.

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46.8.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The company has not exceeded the prudential exposure limits during the year with regard to Single Borrower limit (SGL) / Group Borrower Limit

46.8.5 Unsecured Advances

a. The Company did not financed projects (including infrastructure projects), thus treatment of the rights, licenses, authorisations, etc., charged to the

b. The company has given 2 loans against Collateral of Shares duly listed on BSES amounting to Rs. 245.00 lakhs as against the Collateral of 2.50 Lakhs

46.8.6 Exposure to group companies engaged in real estate business

Particulars	Current Year		Previous Year	
	Amount	% of Owned Fund	Amount	% of Owned Fund
(i) Exposure to any single entity in a group engaged in real estate business	-	-	-	-
(ii) Exposure to all entities in a group engaged in real estate business	-	-	-	-

47. Miscellaneous

47.1 Registration obtained from other financial sector regulators

• Registration of the Company as LEI (Legal Entity Identifier) as required by RBI wide LEI no. 335800CZXHLC3EYIO948 valid till 17th August 2022.

• The Company has registered itself with the Information Utility [NeSL (National E Governance Services Ltd.)] as required under Insolvency & Bankruptcy Code, 201

47.2 Disclosure of Penalties imposed by NHB and other regulators

The Company, on the basis of regulatory inspection being conducted by National Housing Bank for the Financial Year ended 31.03.2020, has been imposed with the Penalty of Rs. 35,000/- + GST for contravention of the provisions of Section 29C of the NHB Act, 1987, Paragraph 2(1)(r), Paragraph 29(3) and paragraph 29(4) of the Housing Finance Companies (NHB) Directions, 2010, Paragraph 5(ii)(i) of the Housing Finance Companies-Corporate Governance (NHB) Directions, 2016, Policy Circular No. 92 and Misc. Circular No. 5. The said penalty was paid and charged to the statement of profit and loss account in the previous year.

47.3 Related party Transactions

Detailed information furnished under Note No. 38

47.4 Group Structure

Diagrammatic representation of group structure is provided under Board of Director's Report.

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

Instrument	Rating Agency	Rating	Date of Rating	Valid Till
Long Term Bank Facilities	Brickwork Ratings	BWR BBB-/Stable	August 17, 2021	August 16, 2022
Long Term Bank Facilities	Brickwork Ratings	BWR BBB-/Stable	July 05, 2020	July 04, 2021
Long Term Bank Facilities	Care Ratings	Care BB+/Stable	Feb 06, 2019	Feb 05, 2020

47.6 Remuneration of Directors

Detailed information furnished under Notes to Accounts (please refer Note No. 38)

47.7 Management

As provided in Board of Directors' Report.

47.8 Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	Year ended March 31, 2022
Net Profit for the period (before tax)	535.41
Changes in Accounting Policies	Nil

47.9 Revenue Recognition

There is no deferment of revenue recognition.

47.10 Indian Accounting Standard (Ind AS-110) - Consolidated Financial Statements

Company has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to the company.

47.11 The Company did not entered into any Joint Venture and do not have any overseas subsidiaries.

48. Additional Disclosures

48.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head	As at March 31, 2022	As at March 31, 2021
1. Provisions for depreciation on investment	-	-
2. Provision made towards Income tax	188.90	162.29
3. Provision towards NPA	40.37	19.68
4. Provision for Standard assets (with details like teaser loan, CRE, CRE-RH etc.)	52.38	42.35

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Break up of 'Provisions and Contingencies' shown under the head	As at March 31, 2022	As at March 31, 2021
5. Provision for Sub-standard assets	25.25	8.30
6. Provision for Doubtful assets	3.74	-
7. Provision for Loss Assets*	11.38	11.38
8. Provision for Employee Benefits	13.33	-
9. Other Provision and Contingencies (with details)	-	-

* Loss Assets due to identified as fraud during the previous year.

Break up of Loan & Advances and Provisions thereon	As at March 31, 2022		As at March 31, 2021	
	Housing Loan	Non- Housing Loan	Housing Loan	Non- Housing Loan
Standard Assets				
a) Total Outstanding Amount	8,438.16	6,025.66	6,357.83	2,487.07
b) Provisions made	26.38	26.00	28.51	13.84
Sub-Standard Assets				
a) Total Outstanding Amount	99.86	61.81	43.37	9.89
b) Provisions made	15.70	9.55	6.74	1.56
Doubtful Assets – Category-I				
a) Total Outstanding Amount	10.46	4.15	-	-
b) Provisions made	2.67	1.08	-	-
Doubtful Assets – Category-II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	11.07	0.30	11.07	0.30
b) Provisions made	11.07	0.30	11.07	0.30

48.1.a The Total Outstanding Amount means Principal + Accrued Interest on Standard Assets + Accrued Interest computed on amount net of provision on other than Standard Assets + Other Charges due and recognised as Income.

48.1.b The Category of Doubtful Assets will be as under :

Period for which the assets has been considered as doubtful	Category
Up to one year	Category- I
One to three years	Category- II
More than three years	Category- III

Details of Movement in Provisions:

Particulars	Opening Balance As at April 01, 2021	Provisions made during the year	Provisions adjusted/ Reversed	Closing Balance As at March 31, 2022
Taxation (Current Tax)	162.29	188.90	162.29	188.90
Standard Assets	42.35	52.38	42.35	52.38
Sub-Standard Asset	8.30	46.37	29.42	25.25
Doubtful Asset	-	3.74	-	3.74
Loss Asset	11.38	-	-	11.38
Employee Benefits	-	13.33	-	13.33

48.2 Draw Down from Reserves

Company has not drawn any amount from reserves.

48.3 Concentration of Public Deposits, Advances, Exposures and NPAs

48.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particulars	As at	As at
Total deposits of twenty largest depositors	Not Applicable	Not Applicable
Percentage of deposits of twenty largest depositors to total deposits of the HFC	Not Applicable	Not Applicable

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48.3.2 Concentration of Loans & Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total loans & advances to twenty largest borrowers	797.85	983.06
Percentage of loans & advances of twenty largest borrowers to total advances of the HFC	5.48%	11.03%

Notes:

Total loans & advances to twenty largest borrowers is considered on the basis of Higher of Sanction or Outstanding.
Amount and percentage of Total loans & advances to twenty largest borrowers is calculated taking Outstanding.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	797.85	988.06
Percentage of exposures of twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	5.18%	10.55%

Note: Total Exposure is taken on the basis of Sanction or Outstanding which ever is higher.

48.3.4 Concentration of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top ten NPA accounts	95.78	63.55
Total exposure to NPA accounts	187.64	64.64

48.3.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2022	As at March 31, 2021
A. Housing Loans:		
1. Individuals	1.42%	1.26%
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
B. Non-Housing Loans:		
Loan Against Property		
1. Individuals	1.51%	Nil
2. Builders/Project Loans	Nil	Nil
3. Corporates	Nil	Nil
4. Others (specify)	Nil	Nil
Loan Against Shares		
1. Individuals	Nil	NA
2. Builders/Project Loans	Nil	NA
3. Corporates	Nil	NA
4. Others (specify)	Nil	NA
Loan Against Collateral of Gold Jewellery		
1. Individuals	0.89%	NA
2. Builders/Project Loans	Nil	NA
3. Corporates	Nil	NA
4. Others (specify)	Nil	NA

48.4 Movement of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Net NPAs to Net Advances (%)	1.01%	0.51%
(II) Movement of NPAs (Gross)		
a) Opening balance	64.64	84.92
b) Additions during the year	328.21	67.92
c) Reductions during the year	205.21	88.20
d) Closing balance	187.64	64.64
(III) Movement of Net NPAs		
a) Opening balance	44.96	68.43
b) Additions during the year	278.10	37.61
c) Reductions during the year	175.79	61.08
d) Closing balance	147.27	44.96
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	19.68	16.49
b) Provisions made during the year	50.11	30.31
c) Write-off/write-back of excess provisions	29.42	27.12
d) Closing balance	40.37	19.68

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48.5 Overseas Assets

(Rs. in lakhs, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Overseas Assets	-	-

48.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas
Not Applicable	Not Applicable

48.7 Disclosure regarding percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets

Particulars	As at March 31, 2022	As at March 31, 2021
Gross Loan Outstanding against Collateral of Gold Jewellery	3,705.51	74.87
Gross Total Loans Outstanding	14,651.46	8,909.54
Percentage of outstanding loans granted against the collateral gold jewellery to outstanding total assets	25.29%	0.84%

49. Disclosure of Complaints

Customers Complaints

(In Numbers)

Particulars	As at March 31, 2022	As at March 31, 2021
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	1	4
c) No. of complaints redressed during the year	1	4
d) No. of complaints pending at the end of the year	-	-

50. Fraud Cases

50.1

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Outstanding Amount	No.	Outstanding Amount
Opening Loans Account detected as Fraud	1	11.38	2	35.04
Additional Loan Accounts detected as Fraud during the Year	-	-	1	11.93
Amount Recovered during the year	-	-	1	0.56
Loan Accounts Written Off During The Year*	-	-	2	35.04
Closing Loans Account detected as Fraud	1	11.38	1	11.38
Provision Created		11.38		11.38

* The Board of Directors and Audit Committee, based on the circumstances of the fraud cases detected in FY 2019-20, found it un-recoverable and

51. Disclosure in pursuant to Guidelines for Entry of Housing Finance Companies into Insurance Business:

51.1 The Company has obtained certificate of registration under Registration of Corporate Agents- Regulations, 2015 from Insurance Regulatory and Development Authority of India (IRDA) wide Registration No. CA0698 valid from 16-December 2019 to 15 December 2022.

51.2 The Company entered into an agreement with M/s Kotak Mahindra Life Insurance Company Limited on 27th Day of October 2020 to act as a Corporate Agent.

51.3 The Company did not followed any restrictive practices of forcing a customer to either opt for products of a specific insurance company or link sale of such products to any of its product.

51.4 The Company did not undertake any broking/agency business during the year and thus did not earned any fees/brokerage and is looking forward to surrender its registration with IRDA.

51.5 The Company has duly filed its returns with IRDA.

52. During the year:

52.1 The Company has not obtained any unsecured loans during the year.

52.2 No prior period items occurred which has impact on profit and loss account.

52.3 No change in any accounting policy.

52.4 There were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

52.5 There was no withdrawal from Reserve fund.

52.6 Company has not accepted public deposits.

52.7 The company do not have an exposure to teaser rate loans.

53. There have been no events after the reporting date that requires disclosure in these financial statements.

54. The Company has complied with all the prudential norms prescribed by RBI and/or NHB on income recognition, accounting standards, assets classification, provisions for bad & doubtful debts, capital adequacy and credit/investment concentration.

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55. On 12 November 2021, the Reserve Bank of India (RBI) has issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, the RBI had issued another circular no. RBI/2021-22/158 DOR.STR.REC.85/21.04.048/-2021-22 providing time till 30 September 2022. The said circular requires the loan account that has turned 90+DPD on any date should continue to be Gross NPA till such time all the overdue including principal and interest is paid. The Company was already in the same practice.

56. The Company has not invoked or implemented resolution plan under the "Resolution Framework for COVID- 19 related Stress" as per RBI circular dated August 06, 2020 for any of its borrower accounts.

57. The World Witnessing the outbreak of the Novel Corona Virus (Covid-19), an infectious disease which World Health Organisation declared as a global pandemic. The Company has used the principle of prudence to provide for the impact of pandemic on the financial statements specifically while assessing the expected credit loss on financial assets by applying management overlays, approved by its Board of Directors. This has resulted in an additional provision of Rs. 10.86 Lakhs to the extent to which this pandemic including the current "second wave" will impact the business and financial results of the Company, at this point of time, depends on future developments which are highly uncertain. The Company will continue to closely monitor any material changes to the future economic/regulatory conditions. However, operating in 100% secured Mortgage Business the impact on asset is minimal.

Hon'ble Supreme Court, in a public interest litigation vide an interim order dated September 03, 2020 ('interim order'), has directed those accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not been classified as NPA.

The Interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions/ IRAC norms. Thus, the company followed usual asset classification norms as per the extant guidelines / directives issued by Reserve Bank of India for entire Financial Year 2020-21, without any suspension or relief of any form therefrom. This resulted in an account which otherwise was required to be classified as non-performing even prior to this final order but was not marked by the company as NPA, would now be considered as non-performing on the respective actual date of NPA.

58. THE DISCLOSURE REQUIREMENTS AS REQUIRED BY RBI CIRCULAR DATED APRIL 17, 2020 FOR THE YEAR ENDED MARCH 31, 2022 IS GIVEN BELOW:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advances outstanding in SMA/overdue categories, where the moratorium /deferment was extended as per the COVID- 19 regulatory package as at February, 2020#	Not Applicable	1,071.84
Advances outstanding where asset classification benefits is extended$	Not Applicable	238.62
Provisions made in terms of paragraph 5 of the COVID 19 Regulatory Package*	Not Applicable	23.86
Provisions adjusted against slippages in terms of paragraph 6	Not Applicable	-
Residual provisions in terms of paragraph 6 of the COVID 19 Regulatory Package	Not Applicable	-

SMA/ Overdue category includes Cases (1-90 days past due i.e. DPD).

Amount is calculated only for those borrowers who availed moratorium and whose DPD falls in 1-90 days. Amount is aggregate of Value as per IND AS and Interest Earned but not due as on 31st March of the respective Year.

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* The Company has made adequate provision for impairment loss allowance (as per ECL model) for the year ended 31st March 2021.

$ The company skipped to create the provision as per paragraph 5 of the COVID 19 Regulatory Package for the year ended 31.03.2021, thus the company created an additional general provision for regulatory submission for Q4 of FY 2019-20 and Q1 of FY 2020-21 amounting to Rs. 3.45 Lakhs and 20.40 Lakhs respectively aggregating Rs. 23.86 Lakhs in the financial year 2020-21 itself. The residual provisions had been written back by the company in March 2021 as per the circular.

59. In accordance with RBI circular dated April 07, 2021, the company shall refund/adjust 'interest on interest' to all the borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. The methodology of calculation of the amount of such 'interest on interest' has been circulated by the Indian Banks Association (IBA).

This would nullify the interest on interest and / or compound interest and / or penal interest during the moratorium period March 01, 2020 to August 31, 2020 with respect to all borrower accounts irrespective of the exposure and thus, would imply to apply it to eligible borrower accounts wherein the ex-gratia benefit vide RBI circular No. RBI/2020-21/61 DOR.No.BP.BC.26/21.04.048/2020-21dated October 26, 2020 on 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 3 1.8.2020) ' was not given due to restrictive eligibility criteria of Rs. 200 Lakhs.

None of the customer of the company was denied with the benefit of 'Scheme for grant of ex-gratia payment' due to the restrictive eligibility criteria of Rs. 200 Lakhs. Thus, the Company is not required to created a liability towards estimated interest relief and reduced the same from the interest income for the year ended March 31, 2021

60. Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

FOR AJAY RATTAN & CO.
Chartered Accountants
Firm Regn. No. 012063N

AJAY RATTAN & CO. New Delhi Chartered Accountants

Varun Garg
Partner
Membership No. 523588

New Delhi, the 23rd day of May, 2022

For and on behalf of the Board of Directors of
IFL HOUSING FINANCE LIMITED

Gopal Bansal
Managing Director
DIN: 01246420

Ashish Bansal
Director
DIN: 06607944

Gunjan Jain
CFO
PAN: APPPJ2676D

Vijay Kr. Dwivedi
Company Secretary
PAN: BRGPD6317M

IFL HOUSING FINANCE LTD. NEW DELHI